

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Paris, Wednesday, January 4, 1995

No. 34,789

Mexican Plan For Recovery Pins Hopes on Privatization

But Creditors Will Insist On Progress Toward Cutting Trade Deficit

By Lawrence Malkin

NEW YORK — After a weekend of wrangling with business and unions, Mexico unveiled a rescue plan on Tuesday to reduce its dependence on foreign money by selling off parts of its infrastructure and relying on domestic austerity to increase exports.

The package, aimed at restoring confidence after the sudden and drastic devaluation of the Mexican peso last month, was underwritten by an \$18 billion line of credit from U.S., European and Japanese governments and commercial banks. The loan, meant to fill the financial hole left when foreign investors lost confidence in Mexico's management of its economy, was welcomed by the International Monetary Fund, which said in Washington that additional support might be forthcoming.

It was clear that Mexico's creditors would keep the country on a short leash until it could achieve its goal of halving its estimated \$28 billion trade deficit and resuming growth, if possible this year.

In a speech to the nation after government, business, and labor formally signed a new economic pact, President Ernesto Zedillo Ponce de Leon appealed for national unity, which he will certainly need to hold down wages and prices. He conceded that the domestic inflation stemming from the peso's recent devaluation would hurt workers' incomes.

But to judge by the initial reaction of the market, which wanted more details on the plan, the new president has to do more to regain confidence.

The peso closed more than 6 percent lower against the dollar, which rose to 5.2750 pesos from 4.85 before the New Year's weekend. The Mexican Bolsa fell sharply in volatile trading, with the IPC index of leading shares closing down 75.77 points, or 3.22 percent.

Wall Street, the main source of the capital fueling Mexico's boom until U.S. investors pulled out, also marked down Mexican stocks.

Financial analysts in New York and London told investors the plan was at best a first step and would succeed only if Mr. Zedillo's government can hold the unions and business to their promise of wage and price restraint.

In protracted negotiations that several times delayed Mr. Zedillo's speech to the country explaining the plan, the unions agreed to cap wage increases at 7 percent, and business basically agreed not to raise prices beyond passing along the higher costs of imports caused by devaluation, which so far has cut the peso's value by about one-third.

With inflation expected to double this year to 15 percent, unions objected that

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MOURNING IN GAZA — Police in the Gaza Strip on Tuesday, escorting the body of one of three colleagues slain by Israeli forces. The deaths and Israel's stand on settlement fueled distrust as self-rule talks opened. Page 6.

Republican 'Revolution' to Start With New House Rules

By Katharine Q. Seelye

New York Times Service

WASHINGTON — When the opening bell sounds Wednesday to usher in the 104th Congress, the Republicans, as the new majority, will begin their self-described revolution, putting on trial their fundamental belief that they can cure the nation's ills with less government, not more.

For the new speaker of the House, Representative Newt Gingrich of Georgia, and his Republican comrades, the first order of business will be to pass new

House rules demonstrating that they are more open, responsive and businesslike than the old-order Democrats they have supplanted.

From there, they intend to reclaim for Congress the powers it has ceded to the White House since the New

The people are ready. Page 3. • Firms will watch. Page 9.

Deal, introducing one of the most ambitious legislative agendas in history.

On Day One, at least, all eyes will be on the House,

which will be controlled by Republicans for the first time in four decades. Its new leader, Mr. Gingrich, is one of the most powerful but least-tested figures to take charge on Capitol Hill.

While the more deliberative Senate will spend the opening day on ceremony, Mr. Gingrich has scheduled a marathon session — noon to midnight — for the House to vote on changes in its rules. That will launch the House's 100-day march toward action on the "Contract

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A World-Class Challenge

Upgrading UN's Creaking Bureaucracy

By Julia Preston

Washington Post Service

UNITED NATIONS, New York — When he took office nearly three years ago, Secretary-General Boutros Boutros Ghali promised comprehensive reform. But today, although there has been some progress, the United Nations remains a slow-motion bureaucracy struggling to adapt to a real-time world.

UN employees get raises and promotions regardless of the work they actually do. Two separate UN agencies run virtually identical programs on behalf of women, but politics has blocked officials from ending the costly duplication.

A new, million-dollar security system at UN headquarters in New York did not work and had to be scrapped, and administrators cannot even say with certainty who approved the project.

Throughout the vast UN system there are people working for change. But, with

the organization about to mark its 50th anniversary this year, reform also has many enemies: entrenched officials who refuse to break old habits, and governments that applaud streamlining but battle behind the scenes to protect their favored programs from cuts.

"The United Nations — it's so indispensable," said Morris B. Abram, a former U.S. ambassador to the UN organizations in Geneva, "and so badly organized."

Critics of the United Nations will gain new clout in Washington as the Republicans take majority control in the new Congress. Senator Jesse Helms, Republican of North Carolina, the new chairman of the Foreign Relations Committee, has called it "the nemesis of millions of Americans" and complained that it is "costing American

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Kiosk

Dick Cheney Quits Republican Field

WASHINGTON (Reuters) — Dick Cheney, a former U.S. defense secretary, said Tuesday he had decided not to seek the 1996 Republican presidential nomination, bowing out in advance from what may become a crowded field.

"After careful consideration, I have decided not to become a candidate for the presidency in 1996," Mr. Cheney, a conservative with considerable Washington experience, said in a statement.

His early departure narrowed a Republican field expected to start taking shape next month when Senator Phil Gramm of Texas is scheduled to become the first major Republican to announce that he is seeking the nomination.

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SUSPECT CHARGED — John C. Salvi 3d, accused of firing on abortion clinics and killing two people, in court Tuesday in Norfolk, Virginia. Page 3.

Reform? In Japan, It Is as Rough as Silk

By James Sterngold

New York Times Service

TOKYO — To measure how much Japan has really changed in the last two tumultuous years, it is instructive to look out at the upheaval in Parliament, the big stores cutting their notoriously high prices or the devastated stock market, but at the Japan Raw Silk and Sugar Price Stabilization Agency.

This now-obscure agency, which protects the country's few remaining silk producers with expensive price supports, was once a symbol of Japan's struggle to build a modern economy.

But in an age when Japan is a sophisticated manufacturer of everything from autos to computer chips, the agency has become a symbol of a bloated government. It was thus chosen for elimination in a campaign to break the bureaucracy's hold on the economy.

Yet when proposals were submitted for reforming or closing 92 such government-owned corporations, which dominate, among other industries, banking, tobacco and telecommunications, all of them, even the silk agency, survived.

And it appears doubtful that the deeply divided politicians will do anything about it.

Japan is in its greatest period of ferment in four decades. But the episode illustrates something that has driven the Japanese to disappointed apathy, and has frustrated the United States to the point that it has all but abandoned its goal of trying to fundamentally alter Japan's trading and investment climate.

Despite widespread talk of reform, the last two years have proven the Japanese system far more resilient than many experts predicted a few years ago, when a

whirlwind of economic, political and social change began to gain force.

Long-suffering consumers accustomed to the world's highest prices in a closely protected economy have started to snap up cheap imported goods. The major political parties that for years created a parliamentary logjam have broken up or are on the verge of dissolving, and electoral law has been revised to attack political corruption.

It is virtually impossible to be a serious politician today and not insist that the nation's major institutions need reform. Still, the fundamental mechanisms of power remain rooted in the old methods of bureaucratic control.

Despite the party realignment, there is little serious policy debate among officials. And with the Social Democratic Party having abandoned almost its entire platform to gain a share in a coalition government,

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Who Controls Desperation The Kremlin? Mounts for Some Suspect Russians in A 'Rasputin' Rebel Capital

By Alessandra Stanley

New York Times Service

MOSCOW — For Boris N. Yeltsin, life is not so lonely at the top. Though the increasingly isolated Russian president has rid himself of scores of advisers and confidants over the past few years, he still has at least one trusted adviser and drinking companion who is always at his side.

It is his chief of presidential security, General Alexander A. Korzhakov, a former KGB major who has been Mr. Yeltsin's bodyguard since 1985.

However cozy, Mr. Korzhakov's relationship with Mr. Yeltsin is singular enough for Russians to be talking about a new Rasputin haunting the inner sanctum of the Kremlin.

After ordering the subduing of Chechnya on Dec. 11, Mr. Yeltsin disappeared from view and was said to be recovering from minor nose surgery. The president's mysterious seclusion only heightened speculation that his right-hand man was running the show.

In a divided and fractious Kremlin, the 44-year-old security chief has unrivaled access to Mr. Yeltsin.

"Korzhakov is more powerful than the prime minister," said Pavel Voshchanov, a former Yeltsin press secretary who said he quit his job two years ago partly because of Mr. Korzhakov's improper interference in the office of public affairs.

A recent episode suggested that Mr. Korzhakov occasionally feels free to lecture Prime Minister Viktor S. Chernomyrdin on economic issues. Last month, he wrote a letter to Mr. Chernomyrdin describing the government's pledge to the World Bank to end Russia's oil quota system as "absolutely impermissible."

Mr. Korzhakov said he felt such accords would give foreign oil interests too much influence over Russian raw materials. The Russian government then decided not to comply with World Bank conditions.

Mr. Korzhakov's was not the only voice in Moscow seeking to protect the interests of Russian oilmen, but his intervention carried clout — and controversy. Afterwards, the newspaper Izhvestia covered the story with the headline, "Who Is Running the Country?"

Mr. Voshchanov painted the president's relationship with his bodyguard as a co-

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Generals in Moscow Send Reinforcements Amid Fears of a Coup

By Michael Specter

New York Times Service

GROZNY, Russia — Desperate Russian troops caught inside the Chechen capital blasted away with tanks Tuesday at any available target, hitting both the Presidential Palace and the Parliament building.

The Russian military leadership appeared to be increasingly desperate as they have failed to defeat an outnumbered, outgunned and poverty-stricken opponent.

Military officials in Moscow said they had dispatched reinforcements to the embattled city amid signs that the political costs of the war were mounting rapidly.

Former Prime Minister Yegor T. Gaidar, once President Boris N. Yeltsin's closest ally, said, "There is a great danger of a military coup."

Russian democracy, he added, has not been shakier since the breakup of the Soviet Union.

Russian fighter jets hurled rockets at the city with mind-shattering regularity throughout the day.

The bodies of scores of dead Russian soldiers lay in stacks along the broad, tree-lined boulevards. Dogs roamed among them on the streets. Old women locked out of darkened basements waited in terror.

Although many people have ceased to think it was possible, the fighting for the separatist capital keeps getting worse.

"The Russians are going to bomb, bomb, bomb and bomb," said the Chechen information minister, Movladi Udugov, on Tuesday. "The only thing left to them is to destroy everything from the air."

It seems to be exactly what the Russians have in mind.

Access to the city is rapidly starting to close. For the first time, Russian attack planes strafed and bombed the main highway Tuesday leading away from the capital, setting ablaze dozens of cars filled mostly with refugees and sending other travelers diving into mud-filled ditches.

The three main open-air markets — in the surrounding towns of Argun, Shali and Chechen Aul — were devastated by bombs in the past two days. Civilian deaths and injuries were heavy.

It was a sunny day, but Grozny was wrapped in a thick black cloud that could be seen easily from afar — the residue of fires from a bombed oil refinery, gas pipelines, and thousands of rounds of artillery and tank shells.

Fighting continued in the center of the city, which is controlled by Chechen soldiers, and at the railroad station to the west. To the east, Russian reserve forces and paratroopers were moving around the city of Argun in an attempt to reinforce units that have already been sent to Grozny.

Along the highway to the south, rebel fighters stood behind thin, young trees at the side of the road with grenade launchers and automatic rifles waiting for the Russian advance.

"The planes come all night long now," said Khasan Rassayev, wearing the green ribbon of an Islam suicide fighter around his woolen cap. "There is nowhere to hide. They bomb in the center, in the suburbs and the villages. They are trying to kill everything on this land. But this will go on to the very end."

There are no more trappings of normal life in Grozny. Ask a man walking toward the Presidential Palace carrying a grenade launcher on his back what he is doing and he replies: "I am going to work."

The trucks of volunteers continued to pour into the city Tuesday. Chechen commanders promptly displayed the captured letters, identification papers and other documents of Russian soldiers.

The city is increasingly dangerous. There are no real battle lines that have meaning. A block held by the Russians today is a Chechen meeting place tomorrow. Chechen soldiers danced in joy three blocks from the train station where hundreds of their compatriots were engaged in a bitter firefight.

So far, the Russian tactics have failed spectacularly in almost every respect. The

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Atlantic Swim: It's All Wet

Reuters

PARIS — A Frenchman swimming across the Atlantic said Tuesday that he was getting fed up after more than two weeks in the water and was finding it hard to sleep.

"There's a certain disappointment, even suffering," Guy Delage, 42, said in a radio interview from the Atlantic.

He is about 1,100 kilometers (680 miles) into his trip from the Cape Verde Islands, off Africa, to Martinique in the Caribbean.

"My dream has lasted eight years and now it's gradually being replaced by a reality which isn't exactly what I had dreamed of," he told French radio.

Mr. Delage has spent 18 days at sea in his bid for the first trans-Atlantic swim and has about 2,800 kilometers to

go, braving sharks, storms and loneliness.

He spends about 10 hours a day in the water and the rest drifting westward on ocean currents on a small wind-powered raft. The raft, which has a satellite tracking device, follows him as he swims.

"I find it very difficult to sleep at night," he said. "The raft is so uncomfortable that it's a sort of relief to get into the water."

Last week, the French swimmer Stefan Caron, who won a bronze medal in freestyle swimming at the 1992 Olympics, criticized Mr. Delage by saying he was merely "bathing." Mr. Caron said Mr. Delage covered most of the distance by drifting.

Dow Jones	Up 4.04	3838.48
Trib Index	Down 0.46%	111.73
The Dollar	Time close	previous close
DM	1.557	1.5496
Pound	1.563	1.5685
Yen	100.885	99.75
FF	5.367	5.337

Newsstand Prices	
Andorra.....9.00 FF	Luxembourg 60 L. Fr
Antilles.....11.20 FF	Morocco.....12 Dh
Cambodia.....1.400 CFA	Oman.....8.00 Rials
Egypt.....E.P. 5000	Reunion.....11.20 FF
France.....9.00 FF	Saudi Arabia.....9.00 R.
Gabon.....960 CFA	Senegal.....960 CFA
Greece.....350 Dr.	Spain.....225 Ptas
Italy.....2.400 Lire	Tunisia.....1,000 Din
Ivory Coast.....1,120 CFA	Turkey.....T.L. 45,000
Jordan.....J.D. 1.50	U.A.E.....8.50 Dirh
Lebanon.....US\$ 1.50	U.S. Mil. (Eur.) \$1.10

EU Parliament Prepares to Scrutinize Nominees to Executive

By Tom Buurke
International Herald Tribune

BRUSSELS — A United States of Europe may be a distant dream, but the institutions of what passes for a European government are gearing up for a transition just as surely as Republicans in the United States are planning to impose their will on Capitol Hill.

Prime Minister Jacques Santer of Luxembourg, the designated successor to Jacques Delors as president of the European Commission, will lead his 19 fellow commissioners before the European Parliament this month for the European Union's first-ever congressional-style confirmation hearings.

The process, which opens with committee hearings starting Wednesday in

Brussels and concludes with a vote by the full Parliament on Jan. 18 in Strasbourg, France, represents the most crucial test yet of Mr. Santer's ability to establish his authority over a team of political heavyweights that includes a former French prime minister, a former British opposition leader and eight returning commissioners.

"He'll have to instill collegiality into a bunch of politicians who are used to doing things on their own," a commission official said.

Early signs are mixed. Mr. Santer impressed some skeptics in October when he rebuffed an attempt by Sir Leon Brittan, probably the most influential returning commissioner, to assume the agency's biggest portfolio. Sir Leon was stripped of responsibility for policy toward Eastern Europe.

But at a preparatory meeting here on Dec. 16, Mr. Santer acceded to demands that each commissioner have a personal spokesman, if desired, a departure from past practice that some insiders fear will encourage grandstanding by and infighting among commissioners.

Already, some officials have expressed alarm about reported comments by Ritt Bjerregaard, the Danish nominee for environmental policy, who suggested the Union should scrap its farm subsidies, which account for half of the EU budget of some 70 billion European currency units (\$86 billion), and give the money to Eastern Europe to speed its integration into the Union.

That argument is "so simplistic and so explosive," the commission official

said. He added that "we can very easily self-destruct" if commissioners shoot from the hip instead of speaking with a coherent voice.

The hearings also represent a major coming of age for the Parliament, which has done little in the past to shed its reputation for being an expensive and unnecessary talking shop.

This will be the first time Parliament will use powers obtained through the 1992 Maastricht treaty to pass judgment on an incoming commission.

But for all the symbolism involved, there is little doubt about the outcome. Barring some unforeseen development, Mr. Santer and his team will win approval, commission officials and members of Parliament agree.

That is because Parliament gets to

vote only on the entire commission, not on individual nominees. And the new team meets the politically correct criteria laid down by Parliament itself.

Its members reflect the dominance of left-leaning Social Democratic parties in Parliament since last June's elections, and the five female nominees are a record for women.

Klaus Hänsch, the German Social Democrat who has insulted a no-frills, down-to-business atmosphere since becoming president of Parliament in July, said in a recent interview that the chamber was ready to use its new powers sensibly.

He said the hearings should focus on the nominees' experience, general views on European policy and willingness to cooperate with Parliament.

WORLD BRIEFS

North Continues Effort to Boost Kim

TOKYO (Reuters) — North Korea on Tuesday released television footage of Kim Jong Il, apparently continuing a campaign to convince the world that neither Mr. Kim's health nor his position in government is in danger.

The Korean Central Television film seen on Japanese TV showed Mr. Kim visiting an army unit New Year's Day, and enjoying applause from the soldiers. The footage was released a day after the North published a still photograph of Mr. Kim's New Year's appearance.

Mr. Kim is the son of and heir-apparent to Kim Il Sung, founder and paramount leader of North Korea until his death in July. The younger Mr. Kim has yet to be named president or leader of the ruling party. He further failed to make the customary New Year's address on Sunday, giving rise to theories he was either too sick to handle the two posts, or that a political struggle, perhaps within the ranks of North Korea's powerful military, had blocked a smooth accession to power.

Signs of Berlusconi Compromise?

ROME (AP) — Silvio Berlusconi and his political allies Tuesday kept up their demand that the media magnate return as prime minister but showed signs of compromise.

Mr. Berlusconi, after resigning Dec. 22, remains as caretaker while President Oscar Luigi Scalfaro carries on a second round of talks to form a Italy's 54th postwar government.

Mr. Berlusconi, members of his Forza Italia movement and its supporters discussed strategy Tuesday and agreed that Mr. Berlusconi was the only "politically legitimate" leader for a new government. But their statement, read to reporters, said a Berlusconi ally would be suitable for the job, though only to guide the country toward fast elections.

Reported AIDS Cases Top 1 Million

GENEVA (AP) — The official number of full-blown AIDS cases worldwide has topped the 1 million mark for the first time, although the true figure is more than four times as high, the World Health Organization said Tuesday.

The UN health agency said that, by the end of December, governments had reported 1,025,073 cases of the disease to its Geneva headquarters since the start of record-keeping in 1980. The figures include people who have died, but not those who are infected with the HIV virus, which develops into the lethal disease in about 10 years.

But the WHO said chronic underreporting and underdiagnosis in developing countries meant that the real number of AIDS cases likely totaled more than 4.5 million. It said more than 70 percent of these estimated cases were in Africa. About 9 percent were in the United States, 9 percent in the rest of the Western hemisphere, 6 percent in Asia and 4 percent in Europe.

Israel Tries to Clear Up Jet Dispute

TEL AVIV (AP) — A senior official said Tuesday that Israel was providing China with aviation know-how and would try to clear up questions about reports that U.S. technology was used in developing a Chinese fighter jet.

David Ivi, director-general of Israel's Defense Ministry, confirmed that Israel sold China "some technology on aircraft" but the defense contracts were "very small in magnitude."

Mr. Ivi, a former air force commander, responded to published reports that U.S. officials had determined that Israel and China collaborated on a Chinese fighter called the F-10. According to The Los Angeles Times, the plane will be based on the Lavi, a joint Israel-U.S. project abandoned in 1987, incorporating many of its technological innovations. Mr. Ivi said the original Lavi technology was now outdated and suggested that any spinoffs were Israeli developments.

For the Record

A candle burning near a Christmas tree caused the fire in an Antwerp hotel in which six people died on New Year's Eve, according to the Antwerp public prosecutor, Werner van Walle. He said the start of the fire had been recorded by one of the hotel's security cameras.

The extremist Islamic Group has claimed responsibility for attacks on trucks and buses that left eight police officers and three civilians dead in southern Egypt. The group said the shootings were in retaliation for slayings of its members by the police. (AP)

The trial of the Bangladeshi writer Taslima Nasrin, who is accused of blaspheming Islam, will be delayed for 12 days after her lawyers said a petition was pending in the Dhaka High Court, court officials said. (AFP)

TRAVEL UPDATE

Panel to Recommend Ferry Changes

LONDON (AP) — The Royal Academy of Engineering will recommend that seagoing ferries be modified so that they can remain upright for half an hour if water washes aboard, a spokesman said Tuesday.

The academy set up a committee on ferry safety after the sinking of the ferry Estonia on Sept. 28, in which more than 900 people died in the Baltic Sea. A storm tore off the ferry's front cargo door.

The 30-minute stability recommendation is one of the key points of the report, said Tim Walker, a spokesman for the engineering academy, who added that there would be "different solutions for different ships."

Foreign Tourism Rose 3% in 1994

MADRID (Reuters) — About 528 million people worldwide took holidays abroad in 1994, 3 percent more than the previous year, the Madrid-based World Tourism Organization said Tuesday.

Foreign tourists spent \$321 billion, 5 percent more than the previous year, the group estimated. Germans traveled the most, making more than 65 million trips abroad, followed by North Americans with 47 million trips.

One thousand cars trying to return from ski resorts in the Pyrenees region of southwestern France were trapped for several hours Monday night near Mont-Louis when a thick layer of ice suddenly formed on the road, the police said Tuesday. (AFP)

Big Bosnia Battles Put Truce in Peril

The Associated Press

ZAGREB, Croatia — Heavy fighting broke out Tuesday in northwestern Bosnia, threatening a truce signed by most of the warring parties.

United Nations officials in Croatia and Bosnia reported heavy shelling near Velika Kladusa, a town on the northern edge of the Bihac pocket near the border with Croatia.

Major Herve Gourmelon, a UN spokesman in Sarajevo, said 170 mortar and artillery shells fell east and southeast of Velika Kladusa between 8 A.M. and 4 P.M. He reported "a very large number of small arms and machine-gun fire."

The United Nations would not say who started the fighting, the most severe since Bosnia's planned four-month truce began during the weekend. But Major Gourmelon said that forces loyal to Fikret Abdic, a rebel Muslim leader, were "involved in this affair." Velika Kladusa is Mr. Abdic's stronghold.

Neither Mr. Abdic's fighters

nor rebel Serbs from Croatia have agreed to the cease-fire. Both sided the Bosnian Serb assault on the Bihac pocket.

The accord between Bosnian Serbs and the Muslim-led government calls for withdrawal of "foreign forces" from the Bihac pocket.

Meanwhile, Lieutenant General Michael Rose, commander of UN forces in Bosnia, went to Gorzki Vakuf in central Bosnia to cement the cease-fire there. He was attending the first meeting of a regional commission of government and Serbian commanders that will discuss troop withdrawal and deployment of UN observer forces.

UN officials are trying to create a momentum for peace so no one would be interested in continuing the war, which began in April 1992.

The truce signed Saturday calls for separation of troops, free movement of UN aid and personnel and the opening of access roads north and south of Sarajevo, the Bosnian capital.



A NEW REVIEW — President François Mitterrand of France passing by Republican Guards outside the Elysee Palace in Paris on Tuesday, at the start of his last year in office. Presidential elections are to be held this spring.

Algeria Militants Split Over Dealing With France

Compiled by Our Staff From Dispatches

PARIS — Algerian Muslim fundamentalist groups said Tuesday they would not take their war against the Alger government to French soil but differed sharply on whether they should hit French interests at all.

As the dispute over tactics by fundamentalists simmered, French government officials said that flights by French companies between France and Algeria would remain suspended for several weeks, possibly months, following the hijacking of an Air France jetliner in Algiers.

The suspension will continue while French officials investigate extra security measures that could be introduced

on transportation between France and its former colony, they said.

A senior activist of the banned Islamic Salvation Front, in an interview published in Paris, condemned the Dec. 24 hijacking and said his organization had no interest in declaring war on France.

But the Al Aached Battalion of the Islamic Salvation Army, in a statement to the London-based daily Al Hayat, said it was legitimate to call for war against Paris because of its financial and military support to the Algerian government. However, it denied that the Islamic Salvation Army, the armed wing of the Islamic Salvation Front, had threatened to take its war onto

French territory. The conflicting statements reflected deep differences in ideology and strategy between Algerian Islamic militant groups. The Islamic Salvation Army has been fighting the Alger government since the cancellation of 1992 elections that the fundamentalists were poised to win.

The conflict which has claimed tens of thousands of lives, including dozens of foreigners in Algeria, took a new turn when Muslim fundamentalists hijacked an Air France flight on Dec. 24 in their most spectacular attack on foreign interests.

French paramilitary commandos killed the four hijackers on Dec. 26 when they stormed the Airbus 300 as it

was halted on the tarmac at Marseille airport.

Responsibility for the hijacking and the subsequent revenge murders of four priests — three of them French and one a Belgian — has been claimed by Algeria's most violent Muslim rebel hand, the Armed Islamic Group.

An adviser to the Islamic Salvation Front, Ibrahim Younessi, in an interview with the French Catholic daily La Croix, condemned both the hijacking and the killing of the priests as forbidden by Islam and said the conflict must remain among Algerians. "It would be madness and a strategic mistake to spread the conflict to other territories," he said. (Reuters, AFP)

U.K. Receives Threat From Islamic Group

Compiled by Our Staff From Dispatches

LONDON — Muslim fundamentalists, purportedly the group that hijacked an Air France jet, have threatened to kill British citizens "in cold blood" unless Britain closes its embassy in Algeria by Saturday, the Foreign Office said Tuesday.

The warning was contained in a letter written in German and posted in France, the Foreign Office said. The letter, signed by the Armed Islamic Group, was received at the British Embassy in Bern.

A German report said that Bonn had received a similar threat against Germans in Algeria. (AP, Reuters)

JAPAN: Reform Is Rough

Continued from Page 1

there are no longer deep policy differences among the major parties.

The reformers who swept into office in 1993 had promised a freedom of information law to open the most secretive government in the industrial world, but nobody expects such a bill to be passed soon.

And, in one of the most disappointing symbols of business as usual, the big corporations that had voluntarily halted cash donations to politicians after a series of corruption scandals have quietly resumed them.

"The one thing I've been increasingly impressed by is the obduracy to real change here," said Walter F. Mondale, the U.S. ambassador to Japan, who arrived a year ago brimming with optimism over what could be accomplished.

"I'm going to recommend that they have a metabolism test for the next ambassador," he added. "My advice would be, if you don't have a low metabolism rate, you shouldn't come over."

"If you look at the surface, it seems like there have been great changes," said Kunio Ogasata, a middle-class housewife who lives with her husband and two children in a suburb an hour and a half north of Tokyo. "Last year, the political climate became very energetic and the mood was burning with change."

"We were so optimistic," she added. "But if you ask if there has been any influence on our lives, the answer is, I can't see it."

But she also made it clear why such disappointment has not boiled over. Even with a deep recession, her family recently moved up to a 70-square-meter apartment from their old 50-square-meter home.

Mrs. Ogasata added that the imported colas, orange juice, beef and clothing that crowd the shelves of the discount stores have reduced her expenses considerably.

Sri Lanka Leaders and Rebels Reach a Cease-Fire

By Molly Moore
Washington Post Service

COLOMBO — The newly elected government of Sri Lanka and the Tamil Tiger rebels agreed Tuesday to a preliminary cease-fire arrangement that could lead to the end of an 11-year civil war that has claimed up to 30,000 lives and spawned a legacy of death squads and political assassinations.

In what some observers called the most significant step toward peace in the last eight years, the government offered the separatist Tamils a cease-fire plan that included \$800 million in economic aid for the war-ravaged, rebel-controlled northern peninsula of the island in return for an end to hostilities.

The final details of the plan, expected to be announced by Mrs. Kumaratunga in an address to Parliament and the nation on Friday, were hammered out using secret messages on tiny slips of white paper that were passed between rebel negotiators sitting at the bargaining table and senior rebel leaders believed to be hiding in the

building where the talks were conducted, said government negotiator Rajan Asirwanth in an interview.

"The response today was very positive," said Mr. Asirwanth, who is chief of the government bank and a member of the five-person negotiating team.

But negotiators and government officials said that even if the cease-fire is implemented, it will not ensure an end to the war because it does not address the most contentious issue of the conflict: the minority Tamils' demand for political autonomy in northern and eastern Sri Lanka.

"It is still a very slow process," said Neelan Tiruchelvam, a Tamil member of Parliament

who is a close adviser to Mrs. Kumaratunga. "The critical issue is the issue of political autonomy."

He described the \$800 million reconstruction program as "carrots" being "dangled as incentives" to encourage the rebels to enter negotiations.

The agreement calls for a voluntary two-week cessation of hostilities, which would set the stage for a formal cease-fire with strict boundaries and codes of conduct for military forces on both sides. The rebels have been unpredictable in the past, however, and have broken short-term cease-fires.

Mr. Balapattabendi told The Associated Press that rebel leaders were expected to respond formally to the proposal within a week.

Sri Lanka is a nation of about 17 million people, and the majority are Sinhalese Buddhists. Ethnic Tamils, most of whom are Hindus, make up about 18 percent of the population and have long complained of discrimination at the hands of the Sinhalese.

Although Mrs. Kumaratunga was swept into office two months ago partly as a result of a campaign pledge to try to negotiate an end to the civil war, peace talks ended abruptly when the opposition party leader, Gamini Disanayake, was assassinated by a suicide bomber two weeks before the election.

It is widely believed that the rebels were responsible for the attack, which also killed 52 other people at a rally.

The plan consists largely of federal austerity measures, wage and price controls and efforts to generate income through the sale of key state enterprises.

But analysts said the embarrassing show of opposition, mainly from the powerful Mexican labor unions, blocked Mr.

Zedillo from conveying the take-charge image foreign investors are looking for.

"What we're seeing here is a lot of improvisation, a president reacting to events rather than taking control of the situation," said Rogelio Ramirez de la O, a Mexico City economist.

"I'm appalled that Zedillo did not handle the negotiations long beforehand, but this is exactly how he has handled the problem from the beginning," he said. "It gives the impression the government has lost the initiative."

Mr. Salinas hand-picked Mr. Zedillo, a Yale-trained economist, to succeed him in the presidency as candidate of the ruling Institutional Revolutionary Party after Mr. Salinas's original choice, Luis Donaldo Colosio, was assassinated while campaigning last spring.

The killing of Mr. Colosio, a peasant rebellion in southern Mexico and the assassination last September of José Francisco Ruiz Massieu, secretary-gen-

eral of the Institutional Revolutionary Party, have combined to weaken international investor confidence while creating an image of Mexico as unstable.

Mr. Salinas also saddled Mr. Zedillo with a current-account deficit of \$28 billion, an overvalued peso being weakened daily by massive hard-currency withdrawals, and central bank foreign currency reserves of less than \$7 billion — down from \$27 billion a year ago.

Officials said that, given this scenario, Mr. Zedillo had no choice but to devalue the peso, which he did on Dec. 20 after only three weeks in office. Since then, the peso has lost more than 30 percent of its purchasing power against the dollar.

"This president, judging from the comments I hear everywhere, is starting off with some very big handicaps," said Daniel Goldstein, a senior analyst with the Banca Serfin banking group. "You can't come up with a new national economic plan in just a day or two."

In recent days, Mr. Zedillo has confronted the difficult task of persuading labor unions to accept wage increases that government officials openly acknowledge will not keep up with expected inflation rates.

On Monday, however, labor leaders made clear they would sacrifice no longer.

Lesson in Reality for the New President

By Tod Robberson
Washington Post Service

MEXICO CITY — President Ernesto Zedillo Ponce de León, under intense pressure to avert a severe economic crisis, has received an embarrassing lesson in Mexico's new political reality after opposition from business and labor leaders forced him repeatedly to postpone a major speech to the nation.

A 14-hour negotiating session that ended early Tuesday, aimed at reaching a private-sector wage and price accord, forced Mr. Zedillo to delay announcing his long-awaited "emergency economic plan," which the government hopes will stabilize Mexico's battered currency and restore badly shaken investor confidence.

The delays also caused the United States to hold off announcing its own confidence-building measure, an \$18 billion international economic rescue package that had been timed to coincide with Mr. Zedillo's speech.

Economic analysts said Mr. Zedillo had emerged with an unflattering image, barely a month after taking office, of having the terms of his nation's economic salvation dictated to him while he struggles to manage an emergency largely inherited from his predecessor, Carlos Salinas de Gortari.

Mr. Zedillo finally announced his plan Tuesday afternoon after a 20-hour delay.

The plan consists largely of federal austerity measures, wage and price controls and efforts to generate income through the sale of key state enterprises.

But analysts said the embarrassing show of opposition, mainly from the powerful Mexican labor unions, blocked Mr.

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THE AMERICAS /

Across Nation and Political Spectrum, Americans Get Set for the Republicans

The Basic Points of an Ambitious 'Contract With America'

The Associated Press
The "Contract With America," signed by more than 300 Republican candidates for the House before the midterm congressional elections in November, includes a list of eight reforms they pledged to approve on the first day of the new legislative session, as well as a 10-point plan they have vowed to pass within 100 days. The following are excerpts from the contract:

REFORMS

- Require all laws that apply to the rest of the country to apply equally to the Congress.
- Select a major, independent auditing firm to conduct a comprehensive audit of Congress for waste, fraud or abuse.
- Cut the number of House com-

- mittees, and cut committee staff by one-third.
- Limit the terms of all committee chairs.
- Ban the casting of proxy votes in committee.
- Require committee meetings to be open to the public.
- Require a three-fifths majority vote to pass a tax increase.
- Guarantee an honest accounting of our federal budget by implementing zero baseline budgeting.

10-POINT PLAN

- A balanced budget tax limitation amendment and a legislative line-item veto to restore fiscal responsibility.
- An anti-crime package including stronger truth-in-sentencing, effective death penalty provisions and cuts in

- social spending from last summer's "crime" bill to fund prison construction and additional law enforcement.
- Discourage illegitimacy and teen pregnancy by prohibiting welfare to minor mothers and denying increased AFDC [Aid to Families With Dependent Children] for additional children while on welfare, cut spending for welfare programs and enact a tough two-years-and-out provision with work requirements.
- Child support enforcement, tax incentives for adoption, strengthening rights of parents in their children's education, stronger child pornography laws and an elderly-dependent-care tax credit.
- A \$500-per-child tax credit, begin repeal of the marriage tax penalty and

- creation of American Dream Savings Accounts to provide middle-class tax relief.
- No U.S. troops under UN command and restoration of the essential parts of our national security funding to strengthen our national defense.
- Raise the Social Security earnings limit, which currently forces seniors out of the work force; repeal the 1993 tax hikes on Social Security benefits, and provide tax incentives for private long-term care insurance.
- Small business incentives, including capital gains cut and regulatory reform.
- Reasonable limits on punitive damages and reform of product liability laws to stem the endless tide of litigation.
- A first-ever vote on term limits.

Change in 'Mentality' Is Demanded

By Dirk Johnson
New York Times Service

DENVER — Not long ago, Bruce Chaffin was a throw-the-bums-out conservative. But he's not cynical about politics anymore.

"It's going to be wonderful," said the 36-year-old Denver sales executive, almost giddy about the Republicans' taking control of Congress this week. "You bet there's going to be some changes, and I can't wait."

But Nicole Avrain wore a pained expression and confessed to a new fondness for term limits. "As a liberal, I'm nervous," said the 24-year-old college student. "Real nervous."

Whether they see the government becoming leaner, or just plain meaner, American voters of all stripes agree: The road ahead will veer to the right.

"Bill Clinton looks like a wet noodle," said Deshaun Jones, a 31-year-old actor in Denver, and Newt Gingrich is going to swallow him."

From the tobacco fields of rural Virginia to the sleek coffeehouses of San Francisco, and here in Rocky Mountain country, a clear majority of Americans seem to be eager, even insistent, to see a Republican slash-and-burn attack on a federal bureaucracy that they say is bloated.

"Let's see a reduction," said Frank Scariozzi, 32, a dentist in Tenafly, New Jersey. "We all have to manage our budgets; it's time for Congress to man-

age theirs. This country has got to understand that nothing is on a silver platter."

One issue, repeated so often that nothing else comes close, strikes a raw nerve with the American electorate: welfare. Most of the nearly 70 people interviewed over the weekend said that President Bill Clinton had not delivered on his promise to rein in welfare costs, and that the Republicans seemed more likely to pursue hard-nosed cuts.

"We've got to end the hand-out mentality in this country," said Tom Raddemann, 41, a computer consultant in Denver.

It was a sentiment that seemed to transcend class, race, sex and political affiliation, and it was usually delivered bluntly: The poor did not need a helping hand so much as a swift kick in the pants.

"If you can sit home and have babies and collect more money than you'd get flipping burgers, well, that's what you do," said Isaac White, 42, a marketing executive in Denver. "And believe me, I'm not the only black person getting fed up with it."

"There's a lot of us starting to vote Republican, even though people don't always admit it," he added. "It's obvious a lot of these social programs are doing more harm than good."

To be sure, not all voters are ready to embrace Republicans' welfare proposals, which include allowing states to abolish aid to young mothers. Nor do they all trust Representative

Staffing Upheavals Fuel a Huge Logistical Uproar

By Guy Gugliotta
Washington Post Service

WASHINGTON — The new Republican majority may be planning to hit the ground running when the new Congress convenes at noon Wednesday, but if members are not careful, they could spend most of the first week crashing into each other.

The Republican Party, its "Contract With America" flying at full staff, intends to charge into battle with legislation and hearings from Day One. This would be messy under any circumstances, but with the House going Republican for the first time in 40 years, and the Senate switching majorities for the third time since 1980, the place is in a logistical uproar.

By the end of last week, some House Committees still did not know who their members were, and it was impossible to find out how committee budgets would be apportioned between majority and minority.

Republicans were staffing up, and Democrats were

staffing down, causing one Democratic leadership source to remark sourly that the Republican Party's promise to cut 30 percent of House staff "is easy to make when our side's doing the cutting."

Still, without budgets, few committees knew how many people they eventually will be able to afford, and hundreds, perhaps thousands, of Democrats were still walking the halls waiting to see if the ax would fall on their jobs.

Representative John D. Dingell of Michigan, the dean of the House and the biggest of the Democrats' "old bulls," registered his objections to all this in a three-page, single-spaced screed addressed to the incoming Speaker, Newt Gingrich of Georgia. Staffers, "regardless of their political affiliation," Mr. Dingell said, "deserve better treatment than this."

Over in the Senate, transition moved at a more stately pace. New senators worked out of "swinging suites" — a couple of telephones and a room in the

nether reaches of the Hart or Dirksen Senate Office Buildings.

Eventually they will be assigned offices, and the incoming chairman of the Rules and Administration Committee, Ted Stevens of Alaska, is "really cracking the whip" to keep things moving, according to his spokesmen.

According to several other sources, however, Mr. Stevens is largely being ignored. Senators will not be hurried — something the House's eager beavers are likely to find out when "the other body" starts thoughtfully chewing their legislation to bits.

By the end of last week, majority and minority had exchanged offices in most committees, if not all. In the Capitol, Republican and Democrat leadership staffs were filing, packing and moving up and down stairwells and passageways in a mad dash to get in place by the time the session opened.

U.S. Welcome Mat Gets Lots of Wear

More Tourists Staying Illegally

By Ashley Dunn
New York Times Service

NEW YORK — In the comfort of a KLM Royal Dutch Airlines flight from Belfast, Francis and Theresa S. arrived in the 'United States' three months ago as tourists. But they had no intention of returning to their home in Northern Ireland after their sight-seeing in New York was over. They were coming to stay on as illegal immigrants.

Unlike the thousands of Mexicans and Central Americans clambering over the fences of the southern border, the couple merely walked through an inspection booth at Kennedy International Airport. An immigration official, checking their passports and plane tickets, smiled and waved them in.

"It was that easy," said Francis, who along with his wife did not want to be fully identified for fear of being uncovered.

"They just stamped our passports and that was it," he said as he sat in a bakery in the New York borough of Queens, taking a break from moving into a new apartment with his wife.

Slightly more than half of America's illegal immigrants, including the vast majority in the New York area, casually enter the country as tourists, students or business people, and then simply overstay their visas.

And although the Immigration and Naturalization Service spends millions to patrol the southern border, the agency virtually ignores those illegal immigrants who, like Francis and Theresa, have walked in through the nation's front door.

"There is absolutely no deterrence," said David Simcox, a senior fellow of the Center for Immigration Studies in Washington, which favors restrictions on immigration. "There isn't much there to stop anyone."

In fact, the immigration service has no specific programs aimed at seeking out and deporting the 150,000 visitors a year who end up illegally settling in the United States. Last year, only about 600 people were deported for overstaying their visas, out of 39,000 deportations.

The estimates on illegal immigrants come from an immigration service study that uses air passenger data, census surveys and immigration service statistics. While the numbers provide only a rough approximation, they point out in broad strokes the magnitude of the problem with illegal immigrants who overstay their visas.

Of the 4 million illegal immigrants in the United States, about 2 million first arrived as visitors. Unlike those who sneak across the border, those who enter as visitors come from a broad range of countries, including Italy, the Bahamas, Poland and the Philippines.

Together, they make up a far

★ POLITICAL NOTES ★

2 Ducks and Political Hay

LITTLE ROCK, Arkansas — A world away from the drained swamp that is Washington, where a Republican Congress has a wounded White House in its cross hairs, President Bill Clinton ventured into an Arkansas marsh with a shotgun before dawn Tuesday and came out hours later bearing two dead ducks and a political message: Assault weapons are bad, but banning them doesn't impede hunting, which is good all-American sport.

"I really started feeling like a person when I was about five minutes out on the water today," Mr. Clinton told his companions after his outing.

The hunting party was partly relaxation for a president to whom inactivity is anathema, even on this 48-hour breather in his home state. But it was also Mr. Clinton's small bid to repair damage that many politicians say the Democrats suffered in last fall's elections as a result of his support for the assault weapons ban, and to win a happy headline on a day when the big news in the bigger pond was the Republican Congressional dominance that dawned on Wednesday. (NYT)

Quayle Returns to Hospital

INDIANAPOLIS — Former Vice President Dan Quayle, 47, treated last month for blood clots in his lungs, is back in the hospital, this time for removal of an enlarged appendix. He will undergo surgery later this week. Mr. Quayle's office said Tuesday. (AP)

Brave New Congress, Live!

WASHINGTON — Whatever happens in the new congressional era of Republican control, citizens will be able to witness more of it. Striving for a new aura of openness, the Republicans have agreed to allow television cameras into most committee meetings and daily press briefings with the incoming House speaker, Newt Gingrich, and the Senate majority leader, Bob Dole.

Mr. Gingrich is a fan and master of talk radio. He will make space available, at least on Wednesday, Congress' opening day, for various talk-radio hosts to broadcast from the Capitol. On Thursday, Mr. Gingrich will inaugurate a new on-line system that will give anyone with a computer and modem instant access to the full texts of bills and the Congressional Record at no charge.

The Heritage Foundation, a conservative research organization located two blocks from the Capitol, also is making its broadcast facilities available to talk-show hosts from out of town.

To make sure the House Republicans



Mr. Clinton, who is on a three-day visit to his home state, holding two ducks he shot while hunting with friends Tuesday near Cotton Plant, Arkansas.

will look as if they know what they are doing, they recently staged a dry run of the opening day proceedings, with one Republican, David Drier of California, even playing the part of the erstwhile majority leader, Representative Richard A. Gephardt, Democrat of Missouri.

The Republican freshmen will be featured on opening day, presiding in the speaker's chair and introducing measures on the floor. One veteran who will preside is Representative Bill Emerson, 57, a Republican from Missouri, who is

the only House Republican who was in the chamber when the Republicans last controlled the House in the 1950s. At that time, he was a page. (NYT)

Quote/Unquote

Barbara Maloney, a 59-year-old psychotherapist, expressing her concern about the full-speed-ahead Republicans in control of Congress: "Things will get done. I'm just afraid it will be the wrong things." (NYT)

Abortion-Killing Suspect Ordered Held Without Bail

The Associated Press

NORFOLK, Virginia — A man accused of opening fire on abortion clinics in two states, killing two people, was ordered held without bond Tuesday at his arraignment.

John C. Salvi 3d, a student hairdresser, was ringed by sheriff's deputies as he stood impassively with his court-appointed lawyer, Tazewell Hubard.

Mr. Salvi, 22, is charged with killing two abortion clinic receptionists in Brookline, Massachusetts, on Friday and wounding five other people, and then spraying more than 20 shots the next day into a clinic here. No one was wounded in Norfolk. The arraignment before Judge Reid M. Spencer was on Virginia charges of firing into an occupied building.

Mr. Salvi, of Hampton, New Hampshire, has been held without bond since he was arrested Saturday moments after the shooting in Norfolk.

Virginia prosecutors said they may request a hearing, possibly as early as Thursday, on a Massachusetts extradition request.

Mr. Hubard said he had not had time to speak extensively with his client, whom he described as apprehensive because of the publicity surrounding the case. Mr. Hubard said he did not know if Mr. Salvi would fight extradition.

Away From Politics

- A U.S. District Court judge in New Jersey blocked enforcement of a law that would have allowed authorities to notify the public that a convicted rapist had settled in the community after being released from prison. The judge said the law was unconstitutional because it could cause irreparable harm to a released convict. (AP)
- The U.S. Supreme Court, by a 7-2 vote, has cleared the way for the execution of a Texas man for a 1986 murder that state prosecutors said was committed by his sister. Under laws in many states, people who did not take a life can be convicted and sentenced to death for their involvement in crimes that resulted in a death. (AP)
- Gary, Indiana, no longer has the highest homicide rate among U.S. cities, having dropped to 64 murders per 100,000 residents in 1994 from 92 per 100,000 the year before, the police said. The new "murder capital" has not been officially declared, but New Orleans had a homicide rate of 88 per 100,000 last year, The Post-Tribune of Gary reported. (AP)

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New Rules on Foreign Workers

The Associated Press

WASHINGTON — The Clinton administration is cracking down on U.S. companies that hire foreign professionals in temporary jobs as a way to drive down labor costs.

U.S. regulations allow employers to hire foreign nationals in skilled professions where Americans are in short supply, such as computer programming, physical therapy, medicine and some teaching and engineering fields. Up to 65,000 such work permits are allowed annually.

Unions have complained for years about the rules, arguing that they remove any incentive for companies to train Ameri-

can or immigrant workers in specialized fields.

The Labor Department said it was reducing from six to three years the duration of the work permits. Current rules require companies to certify that they will pay foreign workers the prevailing salary for the region or the employer's actual salary, but the new regulations will require them to say specifically what that is.

In addition, employers now will have to assure the Labor Department they are not using foreigners to replace workers who either are on strike or have been locked out because of a labor dispute.

"The problem is we've had a

number of abuses over the past few years," Labor Secretary Robert B. Reich said of the decision to tighten up.

"Obviously if employers face a dire shortage of skilled workers and their competitiveness is threatened and they must get skilled workers from abroad, then we must maintain that safety valve," he said. "But we also want to tighten up what is now a means of getting skilled workers from abroad without investing in American workers."

Unions have said workers who suffer most from the abuses are American minorities, women, immigrants and recent college graduates.

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Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Rules for Peacekeeping

The U.S. Army's new field manual on peacekeeping is required reading for many officers. It is also worth a look by policymakers and citizens interested in knowing whether the army is adjusting to its new role in the post-Cold War world. The short and reassuring answer is "yes."

In a world no longer defined by the Soviet threat, peacekeeping may well be the growth industry for the army. But it poses a difficult challenge to an army whose traditional mission has been ground combat and whose standard doctrine has been that of overwhelming force. The new manual — an important document in an organization that goes by the book — signals that the struggle to take peacekeeping seriously is being won. With the chief of staff, General Gordon R. Sullivan, committed, there is a good chance the troops will learn to do peacekeeping right.

The manual, for example, establishes a clear separation between peacekeeping and peace "enforcement." In peacekeeping, belligerents consent to the troops' presence and operations. To ensure that consent, it is critical for peacekeepers to remain impartial and limit their use of force. "Force," notes the manual, "may only be used in self-defense or defense of the mandate." In enforcement, by contrast, outside troops have the right to use force to compel or coerce all of the parties to the conflict, without their consent.

"Commanders," warns the manual, "must avoid inadvertently slipping from one type of peace operation to another — a dangerous form of 'mission creep.' Moreover, once troops have crossed 'the impartiality and consent divides' and engaged in peace enforcement, they should not then be used in peacekeeping in the same locale. Even in peace enforcement, moreover, self-restraint is the rule."

Now comes the test: turning principles into practice through training and exercises. The army resists training troops solely for peacekeeping. It justifiably argues that troops trained for combat can be retained to conduct peace operations. It also prefers to err on the side of overtraining its troops. That runs the risk of overreaction, but senior officers are convinced that when troops are not well drilled and are underarmed, they are more likely to feel menaced and overreact.

The army is also shortening the time it takes to absorb the lessons of actual overseas operations and introduce them into its training. U.S. troops in Somalia, for instance, were carefully ordered by civilian leaders to take sides against one warlord at the United Nations' behest; newly trained troops in Haiti are doing their best to apply the rule of impartiality. The hope is that civilian policymakers will master the same lessons.

—THE NEW YORK TIMES

What About Health Care?

How fickle are America's politicians? A year ago, if only in response to the president, most of them could be found saying that health care reform was a major national issue. Now, having done not a thing about it, they have gone on to other subjects as if the earlier speeches were never made. Health care is not at the top of even the president's list. It has been supplanted by tax cuts, budget cutting, welfare reform and all the familiar rest, including a number of proposals that could well exacerbate the health care problems that last year the country was being told it was essential to solve.

The talk now, the president's overly broad proposal having failed with cause, is of incremental reform at most. It is not clear even what that is.

Part of the problem, as last year's debate so vividly demonstrated, is that no health care benefit is free and the health care system is already full of complex cost shifts. One man's benefit will always be another's cost, but it is not always clear who that other will be.

Most incremental plans include some insurance market reform. To what extent and by what means do you force the insurance industry to cover or offer coverage at reasonable rates to groups that it misses now — people between jobs, people who work for small employers, those with pre-existing conditions, those who by virtue of age or other factors are at greatest risk of needing costly care? The basic answer is to put such people in large pools, which spread the risk. But that has the effect of raising costs for groups such as the young, for whom coverage is now

relatively cheap. They either drop out of the system, adding to the number of the uninsured, or are forced out by the higher cost or end up being even more burdened financially by a system that already was burdensome. It is an unsolved problem.

Incremental reform also tends to include a degree of deference to the states: Let them experiment and tailor the rules according to their needs. But current federal law exempts self-insuring companies from state regulation, and the companies, including most of the largest in the country and the most successful in holding down health care costs, want to keep it that way.

The incrementalists are also being called upon to referee between buyers and sellers of care more directly. Increasingly, sellers or providers are turning to government to protect them against the demands of the large managed care companies to which government is itself increasingly turning to help suppress costs.

A final problem has to do with budget cutting. Health care costs are now about a sixth of the federal budget and the fastest rising major share. They have to figure prominently in any budget cutting plan, but cutting them does not so much eliminate the costs as shift them to other payers — the states, the privately insured, the hospitals where some of the larger costs tend to be incurred. What then, too, and how do you keep these cost shifts, too, from adding to the numbers of uninsured?

It is not clear that they will try to do even an incremental reform bill this year, and part of the reason is that even here the choices are very tough.

—THE WASHINGTON POST

Other Comment

Big Problems, Small Leaders

President Bill Clinton's unsteady course is a reminder of the dearth of leaders of stature around the world. The end of the Cold War and the disappearance of two opposing power blocs represent a climactic moment in the modern world's history, requiring men and women of vision to give a new thrust to making the world a better place to live in. Yet we find leaders of all the significant powers mired in domestic problems.

Britain's John Major is hanging on to power by the skin of his teeth; with President François Mitterrand's impending departure from the scene, France does not have a leader of stature; Helmut Kohl has barely managed to return to office; President Boris Yeltsin has been mired in Chechnya, highlighting his political vulnerability; China is fearing the passing away of its senior leader, Deng Xiaoping.

It is a sign of the times and the lackluster nature of leadership around the world that success is measured increasingly in economic terms, with the Asian Tigers occupying a hallowed place. If the United States has made the promotion of its economic interests a pillar of its foreign policy, it is understandable that such powers of the past as Britain and France should use their executive head of government to bag orders for their countries' industries, proudly totting up the number of jobs saved to ingratiate themselves with their electorates. The primacy of economics in politics would have pleased Marx.

—S. Nihal Singh, commenting in the *Khaleej Times* (Dubai).

Helping an Eroded Presidency

Jimmy Carter and Bill Clinton have now worked out a clever routine that achieves what official diplomacy cannot. In North Korea, it was avoidance of war by bribing the Pyongyang regime to give up its nuclear weapons potential. In Haiti, it was saving face for the junta before sending its generals on their way. In Bosnia, Mr. Carter pulled off a delicate cease-fire that offers Mr. Clinton cover for a major policy retreat.

In each instance, White House and State Department officials leaked the message that they consider Mr. Carter an annoying and naive meddler. In each instance, the former president has plowed away unconcerned as conflict-resolution to the world while the current president gratefully accepts rescue from diplomatic dark holes.

No wonder that Jimmy Carter's approval ratings are soaring. No wonder, too, that administration leaders, who have been swinging like weather vane on Bosnia, resent Mr. Carter's intrusions. Charles William Maynes, editor of *Foreign Policy*, says Mr. Carter has exposed "the erosion of the imperial presidency and revealed 'the utter bankruptcy' of official U.S. diplomacy."

Do not expect Mr. Clinton to tell his subordinates to stop bad-mouthing the former president. This is all part of a pattern that gives the administration believability at the same time it welcomes whatever useful comes out of Jimmy Carter's free-lancing.

—The Baltimore Sun.

Don't Look for 'Moderates' in the Islamist Revolution

By Peter W. Rodman

WASHINGTON — The Clinton administration's reaction to the Algeria problem has been schizophrenic. Washington has made muscular general statements condemning Islamic terrorism, as in speeches and articles by National Security Adviser Anthony Lake. And it has taken a strong stand against the potential strategic danger from Iran; Secretary of State Warren Christopher has sought to persuade America's allies to join in restricting credits and the transfer of militarily usable advanced technology to Iran. Where specific policy toward Algeria is concerned, the United States has agreed, at French urging, to support the Paris Club rescheduling of more than \$5 billion in Algerian official debt.

But at the same time the administration has tried hard to distance itself from the Algerian government's crackdown (no senior Washington official has visited Algeria) and has consistently urged a dialogue between the government and moderate members of the Islamic opposition. (The U.S. Embassy opened contacts with the Islamic Front.) The administration has sought to distance itself from the French, who have more openly backed the authorities in Algeria.

As the violence in Algeria intensified, The Washington Post reported last May that the administration was preparing for the eventuality of a revolutionary Islamic republic in Algeria. The State Department vigorously denied the story.

The Algerian foreign minister flew hurriedly to Washington and was assured that the United States had come to no such fatalistic conclusion. The reassurances were probably sincere. The question remains whether the administration's approach may be accelerating the very result it says it doesn't want.

U.S. policy is based on two premises: that there are moderates in the Islamic camp who can be co-opted and will prevail over the radicals; and that an Islamic Algeria would be reasonably friendly toward the United States. Both these premises are debatable.

Abdelhamid Benzine, a respected Algerian journalist, is eloquent on the subject of Islamic moderates: "Yes, there exists a moderate Islam, but there exists no moderate Islamism... Islamism, like every other religious fundamentalism, is by nature totalitarian."

It would be too easy to caricature the quest for Islamic "moderates" in Algeria as a replay of the ill-fated Reagan pursuit of "moderates" in Tehran. More relevant is the Carter experience at the time of the all of the shah, when U.S. efforts to woo moderate leaders in Tehran collapsed and those leaders were chewed up and spat out by the Khomeini revolution.

Few revolutions are dominated by moderates. The constant U.S. pressure on the Algerian government to pursue a dialogue with the Islamists has only deepened the general impression of its lack of legitimacy and encouraged its opponents in their confidence that they did not really need to compromise because the government was on the run.

Dismissing this perception of inevitable Islamic victory ought to be the main object of any U.S. strategy. This implies tilting to more open support of the regime's tough line.

State Department officials told The Washington Post in May of their ardent desire that America "avoid being labeled the Great Satan in this one" — a refer-

ence to the late Ayatollah Khomeini's favorite description of the United States during the Iranian revolution. If America stays out of the line of fire, they hope, it can escape the Islamic animus that will be directed at the French. This may be the greatest illusion of all.

The animus against the West for its cultural decadence and corrupting influence, which is a major part of Islamism's ideological thrust, targets America as the worst offender. Who can blame them? And with America's new status as the only superpower, it is all the more the embodiment of what they despise.

Already the Islamic opposition in Tunisia has been asking the same concessions that the Algerian government, under American pressure, was granting earlier to its Islamists. As the Algerian Islamists gain ground, the sense of Islamic vindication grows in every other Muslim society in which they seek a greater political role. Likewise the demoralization of those resisting them grows.

Who are the targets of the contemporary Islamic resurgence if not all the moderate, pro-Western Arab governments that happen to be America's principal partners in the Middle East? In Egypt and other Arab countries, senior officials talk nervously of America's naïveté in believing that it can win the Islamists' friendship. An Islamic Algeria would be enough, especially through its impact in Egypt, to transform overnight the U.S. position in the Middle East.

An Islamic Algeria would thus be a strategic bonanza for Iran.

The Iranians have been caught in the act of organizing terrorist activities in Sudan, with the obvious aim of operating more widely in Egypt and North Africa. Iranian weapons have reportedly found

their way to the Algerian extremists. It is highly likely that any new Islamic regime in the Arab world would strike up a link with Iran, which has declared its "internationalist" duty to be the patron of such an Islamic resurgence.

The Arab-Israeli peace process could be another casualty. The Islamists despise it as a sellout. Already the Israeli-Palestinian negotiation is being disrupted by the PLO's struggle with the Islamic radical group Hamas. Anything that strengthened Hamas could doom the diplomacy.

The Clinton administration has recently backed off a bit from its pressure on Algeria — but mainly from a desire not to add another feud with France to the already bitter disputes over Bosnia and Iraq. But much of the French rationale for pushing to lift sanctions on Iraq is to restore a counterweight to Iran, which the French are convinced is a source of inspiration and more to the Algerian Islamists. A more supportive U.S. posture in Algeria might improve French policy in the Gulf.

The Clinton administration wants to postpone for as long as possible any decision to choose sides. That moment may be at hand. Algeria may be the place to draw the line.

To assume either the inevitability or the legitimacy of the Islamic tide, in Algeria or anywhere else, would be a grave disservice to the many millions of modern, moderate people in the Arab world who are on the front lines resisting it.

The writer is director of Middle East studies at the Center for Strategic and International Studies and author of "More Peace than Fear: The Cold War and the Struggle for the Third World." He contributed this comment to The Washington Post.

End of the Pacific War: A 50-Year Debate Has Not Closed the Book

By Roger Buckley

TOKYO — The furor over a Smithsonian Institution exhibit on the atomic bombing of Japan and the U.S. stamp commemorating the dropping of the two bombs provides a taste of the difficulties to be expected this year on the 50th anniversary of the end of the Pacific War.

Debate on whether the atomic bombing of Hiroshima and Nagasaki in August 1945 was necessary is certain to intensify. Allied veterans groups and Japanese victims of the bombings will join others in Asia and the United States in asking why the Pacific War was fought and why the surrender process dragged on for so long.

Old, familiar positions will be hard to resist. Too many vested interests may be at stake, in Japan and in the region, for much enlightenment to emerge.

The U.S. decision to scrap the proposed postage stamp has been welcomed in Japan, though the issue of whether the A-bomb brought the war to a quicker end is still hotly argued.

The message on the stamp was that "atomic bombs hasten war's end." Revisionists, however, insist that this ignores the precariousness of Imperial Japan's position; and they maintain that it was only a matter of time before the effects of the Allies' naval blockade and the aerial bombardment would have brought the Japanese military and government to its senses.

The same school of thought reckons that the bomb was used primarily to intimidate the Russians and remind one and all of U.S. military prowess.

The subject, of course, is easier to digest for the victor nations. Yet, the cancellation of the Hiroshima stamp is a reminder

that flag-waving by any government can have a price. Prime Minister John Major's cabinet learned this lesson last year when veterans objected sharply to proposed street parties, insisting rightly on commemoration rather than celebration of the 50th anniversary of D-Day.

The doubts in the United States over the deployment of the A-bomb are nothing compared to the fractures within Japanese society. The United States will continue to view the Pacific War as a "good war"; for Japan the war remains the central event of its modern history, yet there is little national consensus on how to analyze those painful years.

The question of how to account for the years of aggression — from Japan's expansion into northern China in 1937 to the

final surrender aboard the USS Missouri in Tokyo Bay on Sept. 2, 1945 — has split the country at least into three.

On the right there remains an entrenched belief that the war was a just crusade intended to liberate Asia from Western colonialism. This is challenged in all particular by a probably smaller group on the left that sees the war as a disgraceful aberration that enslaved Japan's continental neighbors. In the middle is the silent majority: all those who would rather not confront the hard issues raised by the war. (The subject of Japanese imperialism can, in fact, be dangerous. Those who speak up know that the ultra-right is capable of using force or intimidation to discourage debate.)

It is thus highly unlikely that this year's events will change many Japanese minds. One can expect a plethora of television programs but a highly cautious

Some Supposed Democrats in Bangladesh Are Menacing the System

By Philip Bowring

HONG KONG — Believers in elective democracy naturally tend to support one another in struggles against authoritarian rule. But what should they do when self-styled democrats prove to have no more regard for the institutions of democracy than the military men they replaced?

Perhaps if the outside world really cared about freedom and democracy in Bangladesh it would focus more on the antics of the opposition there and spend less time idolizing Taslima Nasrin. The Bangladeshi writer was able to tap into a Western obsession with the threat of Islamic fundamentalism

to achieve a literary fame that had otherwise eluded her.

What is really going on in Bangladesh? Briefly:

In February 1991, elections were held after Hussain Mohammad Ershad, who had been in power for eight years after a military coup, was forced to resign after countrywide demonstrations. The elections saw the triumph of the Bangladesh Nationalist Party, led by Khaleda Zia, widow of the assassinated former president Ziaur Rahman.

Her party, which had led the

boycotted Parliament and organized mass strikes and rallies to try to force Begum Zia to step down prior to holding a new election (one is not due until 1996).

When that did not work, she and her followers resigned from Parliament. What will happen now is anyone's guess. But if Sheikh Hasina continues the boycott, by-elections presumably will be held, the Bangladesh Nationalist Party will win and then the Awami League will claim that Parliament is undemocratic.

Sheikh Hasina has entered into an unholy alliance with the Jatiya Party of the deposed General Ershad and the fundamentalist Jamaat-e-Islami.

Sheikh Hasina rejected the compromise proposed by a Commonwealth mediator, Sir Ninian Stephen, under which opposition leaders would be brought into the government to oversee the election. Most recently, Begum Zia offered to step aside just before the election. That, too, was rejected.

Sheikh Khaleda has an imperious style, reminiscent of that of Indira Gandhi. The BNP is no party of angels, but its record is no worse than those of the others. Given its poverty, low literacy level and immature institutions, Bangladesh has had something to be proud of with its participatory democracy. It also has a lively and free press and a secular constitution not seriously threatened by fundamentalists.

The actions of the embittered Sheikh Hasina not only undermine newly restored democratic

institutions, they threaten the country's economic progress. Economic growth has been inching up and reached 5 percent in the year to June.

The government deficit has been slashed, savings have increased and the current account deficit is now a mere 2 percent of gross domestic product.

The country, once known as a basket case, is even on the verge of self-sufficiency in grain production. It has become a significant garment exporter and has begun to attract foreign investment — even into its nascent stock market.

It is not clear whether an Awami League government would go back on the economic policies of the BNP government. Sheikh Hasina may be stuck in a world of memories of her father and might favor a warmed-over version of 1960s subcontinental socialism. (General Ershad favored the private sector but cronism was rampant.)

It is not so much a question of what Sheikh Hasina might do in government. More important is the damage she and her allies are causing already to a country just getting to its feet — amid strikes, disorder and uncertainty about the future — through their unwillingness to accept the conventions of parliamentary democracy.

It is time foreign democrats told Sheikh Hasina what they think of her behavior — before the generals again make her illustrious name irrelevant.

International Herald Tribune.

Legal Drugs Would Be a Cruel Hoax

By A. M. Rosenthal

NEW YORK — The campaign for drug legalization grows in wallet and prestige. As it picks up journalistic and academic endorsement and foundation money, one thing stays constant. It remains now, as it always has been, one of the most cruel and selfish movements in America.

The great majority of Americans are against legalization. So are the politicians they elect to office. And Americans who believe in using government power and public opinion to fight narcotics are down to a bare handful. It is time to pay attention to the legalization movement would strengthen it, so let's not.

While we slumber, the movement becomes respectable. The Soros foundation recently gave pro-legalizers at least \$6 million to study legalization and decriminalization.

Meanwhile, the struggle against drugs is long and wearying. Achievement does not always hold steady. People who say they have a cheap and fast solution get a hearing that their would never earn them.

For more important, it is clear that the legalizers can make important headway without passing laws. They strive to weaken the essential national resolve that the drug war must be fought with as many weapons and for as long as it takes.

This is backdoor drug acceptance, almost as dangerous as legalization. The United States is still paying in broken lives, fear, violence and damaged newborns for the tacit decriminalization won by the counter-culture in the '60s.

The University of Michigan

Institute for Social Research reports that illegal drug use among secondary school students is rising. The study traced an expansion of drug use among young people into the late 1970s, a decline through 1991 and since then a resurgence.

The warning from the study group was that as children heard less disapproval and more glamorization or approval of drugs, their own use went up. You don't really need a law. It is time to state the truth, as often as the message is heard in the academy, the press, the movies or television. The legalization movement is cruel because it would create more addicts, more abused children, more victims of muggings and robbery, millions more every single year.

It is selfish because it would move the entire burden of fighting drugs from the totality of society to neighborhoods that already suffer most. It is both cruel and selfish because it glides over the ruined lives of those who abuse drugs, legally or not.

The movement claims that legalization would drive drug mobsters out of business, which would cut down on crime so we nonaddicts could live in peace. But nobody has demonstrated how it would reduce crime or addiction, because it will not.

Mayor Rudolph Giuliani and the New York police have shown the way at least to cut down on drug-mob shootings. Go after them, arrest gunners, pushers and their customers; don't look away, put them away.

The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1895: Mukden Anarchy

SHANGHAI — News received by commercial houses here from Mukden represents that city to be in a state of anarchy. The Chinese and Manchurian soldiers frequently engage in severe fights, and the civilian population suffers about equally from both. Every civilian daring to offer resistance to the soldiery is murdered. Twelve thousand additional troops are said to have arrived at Mukden recently.

1920: Brace for Grippe

PARIS — Misfortunes never come singly, and it is not surprising that with anticipations of a Paris flood should come fears of a recurrence of the influenza epidemic. [The Herald says in an editorial:] In the city there have been noted isolated centres of a disease which has all the appearances of grippe. It is better to

avoid grippé than to have to treat it. But it is very probable that even if it becomes extended a little, we shall not see the grippé of 1918-19, which prevailed throughout the world and made so great a number of victims.

1945: United Jugoslavia?

LONDON — King Peter, Yugoslavia's 21-year-old exiled monarch, was understood tonight [Jan. 3] to have agreed to the establishment of a regency council for his country. Well-informed Yugoslav sources reported that the new regency will be composed of three members representing Serbia, Croatia and Slovenia in an effort to unite the rival nationalities in the country. These sources confidently expected that the next Prime Minister would be Marshal Josip Broz (Tito), leader of the country's Left-wing national liberation movement.

International Herald Tribune
ESTABLISHED 1897
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Directeur Adm. de la Publication: Katharine P. Horne
International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France.
Tel.: (1) 46.37.94.01 Fax: (1) 46.37.06.51, (1) 46.37.12.12 Internet: IHT@compuserve.com
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سكرا من الالهي

OPINION

The Gingrich 'Quick Fix' Missed the Ethical Point

By William Safire

WASHINGTON — As a Nixon speechwriter a generation ago, I was delighted to get a check for \$150 from The New York Times for a piece about language. I told the White House counsel I would keep it because the article had nothing to do with my official duties and was written on my own time.

The ethical issue is not whether he gets paid in advance. The issue is how much, if any, outside income a public official should be permitted to earn while on the public payroll.

on the straight and narrow. (The counsel was John Dean, who later served time and gained bankable fame as architect of the Watergate cover-up; the only ethics he worried about were mine.)

This episode of denial of outside income was brought to mind by the case of speaker-to-be Newt Gingrich's \$4.5 million book deal.

When first revealed, his contract to receive an advance of royalties expected from two books caused a furor. Newt at first dismissed the reaction as "book envy," a play on "penis envy," pointing to piddling advances paid to liberals in the past.

Newt had no sense of how unseemly his bonanza was — making it appear that the Republican scourge of society's freeloaders was promptly cashing in on his new position.

Two critics saved his neck. The Democratic whip David Bonior, always against free trade, professed to see a remote conflict of interest in the deal in the control of the publisher by Rupert Murdoch, whose interests may be affected by legislation. Mr. Bonior's excessive partisan blast made Newt look put-upon.

The speaker was assisted further by an editorial in The New York Times, which suggested an apparently ethical way out: "He can forgo an advance and simply wait for the royalties to come in once the books are actually on sale."

Newt seized that opening and ran to daylight. As Bob Dole needed him and talk show hosts hollered "sellout," author Gingrich circulated a letter to his House colleagues announcing he would "forgo four and a half million dollars," awaiting the royalties after the books were sold.

Editorialists hailed his self-denial. Republicans in Congress heaved a sigh of relief, as if he had dealt forthrightly with propriety.

But his quick fix misses the point. The ethical issue is not whether he gets paid in advance. The issue is how much, if any, outside income a public official should be permitted to earn while on the public payroll.

Is it right for an elected official, drawing a salary from the public for his full-time talents, to capitalize on the celebrity and controversy gained through his office by writing books — or for that matter, by giving speeches, endorsing products or earning outside income in any way?

It's not against the law. Nor is it unprecedented: Gingrich showed us a list of books by legislators, including Vice President Al Gore's ill-selling screed on the environment, written more as a springboard for publicity than for profit. If Al can earn thousands, why not Newt millions?

I have nothing against anybody making big money. Bleeding hearts should note that half of Newt's earned millions will go to government in taxes. And the public interest is served when a sitting lawmaker invests extra personal effort in writing and articulating political ideas.

But — Outside earning, drawn from memoirs of public service, or made possible by the celebrity gained by a time in office, should await the end of that service. That is what presidents have always done: that is what General Colin Powell properly did in his \$6 million deal. To make serious money, first get out of government.

While in office, when books, CD-ROMs or profit-making on-line services are undertaken, earnings should be capped; one-third of the official's salary is reasonable. Income in excess of the cap should go to the government, not to some preferred orphanage, because notoriety derived from government power gives value to the official's editorial output.

Public officials should not compete with private citizens as providers of media content. Officeholders should not line their pockets with the latest form of "honest graft."

The New York Times



They Believed in Change And Now Are Made to Pay

By Karl E. Mayer

BERLIN — We met at a restaurant in the chic Savignyplatz quarter in western Berlin. It was shortly before Christmas, a festive season, yet the man was palpably ill at ease. He said he felt like a victim of agoraphobia, becoming anxious away from his safe haven in eastern

MEANWHILE

Berlin. Indeed, he had visited western Berlin less than a dozen times since the Wall was breached by the autumn revolution of 1989.

His wife said she overcame these terrors, out of need. Three times a week she crosses the gone but hardly forgotten line, traveling 90 minutes each way from outlying Koenigswald. There she cleans house for an affluent westerner; along with her half pension, it is the couple's major source of income. She has a university degree and is fluent in three languages. Her husband, with a Ph.D. and an academic background, now helps a relative clean house and maintain a vegetable farm.

Their story is typical of thousands of former civil servants and re-

searchers in eastern Berlin who are too young to retire (he is 55, she is 59) but too old to migrate elsewhere or transform themselves in a transformed Germany. They are doubly the losers, since they get scant sympathy from westerners who point out that they were once the privileged elite in a tyranny that sent 200,000 East Germans to jail for political offenses.

There is truth in this, though by West German standards their privileges were modest: a small semi-detached house, meager salaries and a Trabant, which can be defined as a power lawnmower with a minicar wrapped around it. She helped promote tourism, and he wrote academic papers on environmental topics.

True, they were party members, which was the passport to advancement, and believed that change for the better was possible in the oppressive East German system. They also believed, erroneously, that Mikhail Gorbachev's reforms opened a path that East Germany might successfully follow.

With the collapse of the Wall, their lives were turned upside down. The great majority of academics lost their posts and privileges, and most of their colleagues were dismissed. Then in 1991, he was given a chance to take early retirement at half pension. He was also offered a job as editor by a West German publisher, and passed up the pension. Months later, the editing job vanished, and he has now six months before his unemployment insurance expires. He has been working without pay at the farm. Meantime, their house rent has jumped from \$40 a month to more than \$800.

To all this, she responds with Berliner humor: "Having spent 30 years learning about the contradictions of communism, I now have 30 years to do the same for capitalism." He strikes a different note: "It's not so much the personal loss of status that bothers me as the wholesale dismissal of everything we tried to do." Perhaps they exaggerate in claiming that many in their circle, overwhelmed by hopelessness, simply committed suicide, though it is not reported as such in police statistics.

Some would say they are only getting what they deserve, that dissidents under communism suffered far worse with less reason. But at this time and during this season, I somehow cannot approve this cold example of what Germans call Schadenfreude.

The New York Times

LETTERS TO THE EDITOR

We Know Columbus

Regarding "Discovering America: How Mrs. Columbus Saw It" (Features, Dec. 7) by Jake Lamar:

How many times do we have to start all over again? Many facts of history are colored by opinion and point of view, but a vast amount of them are scientific truth and do not have to pass any more juries of laymen and laywomen.

The role of Columbus in the Americas has been amply documented ever since Bartolomé de las Casas chronicled it in the early 1500s. It has just taken a long time to find its way into our school books because it goes against the traditional view of white civilization bringing light and Christianity to savages.

The facts in the high school biography I wrote, "Columbus: His Enterprise," are all documented and establish him as a man unusually cruel, even for his time, and as the initiator of the extermination policies of Spain in the West Indies. This is neither "glit" nor "Columbus bashing," as Mr. Lamar calls it.

There is no "legitimate controversy" over Columbus's ooc and only wife. She was not Portuguese but Spanish (of Italian origin), and the daughter (perhaps born out of wed-

lock) of the captain-general of Porto Santo in the Madeiras. She did not "honeymoon" with Columbus (the very suggestion is ridiculous). She died in 1485.

HANS KONING, New Haven, Connecticut

Fit for the Compost Heap?

Regarding "Conservation Doesn't Conserve, and Can Do More Harm Than Good" (Opinion, Nov. 23) by Herbert Inhaber and Harry Saunders:

I'm shocked by the choice of the above-mentioned article taken from the reputable journal The Sciences. The authors' contribution to such a "hot" issue as energy conservation should not have been accepted by The Sciences unless as a joke. This journal generally features objective and serious contributions to the sciences, theology and even economics. The article in question, however, addresses the issue like a high-school theme paper, and a poor one at that.

The economic and historical arguments for promoting energy conservation posed by the authors are specious at best. Messrs. Inhaber and Saunders completely ignore the most significant reason for energy conservation: the reduction of pollution caused by the continuing and

(according to them) increasing use of conventional energy sources.

Every effort must be made to use renewable and clean sources to achieve sustainable development. The right environmental management is one of the most important means toward this end.

Switching off that unneeded light will one day provide many children with extra rice and will reduce the world's consumption of dirty energy — but only if our leaders push harder for the development of clean (renewable) energies.

CHARLES M. GOTTSCHALK, Paris

Different Stories

Regarding "A British Athlete's Fight for Health and Esteem" (Sports, Dec. 15) by Ian Thomson:

Mr. Thomson is right, Diane Modahl is in a lousy business, and Mr. Thomson describes it eloquently. But the difference between Diane Modahl and Peter Gordon is that Mr. Gordon waived his right to a hearing in which he, like Mrs. Modahl, could have explained himself. When he made that decision it amounted to admitting guilt and he was declared ineligible for four years.

Mrs. Modahl, in turn, rejected the

allegations against her, sought and received a hearing; her remonstrations were deemed unsatisfactory. Then came the ban. You cannot be reinstated — by this organization or any other — when you have not yet been condemned.

That makes the cases of Mr. Gordon and Mrs. Modahl fundamentally different, and the statement, "Like Modahl, Gordon sought reinstatement from a four-year ban..." wrong. That doesn't make Mr. Gordon's situation any less sad. Would that it did. I hope you take the point.

CHRISTOPHER P. WINNER, International Amateur Athletic Federation, Monaco

Brandeis and Cardozo

Regarding "Supreme Court Christmas Party Withstands Challenges" (Dec. 17):

At the end of her piece, Joan Biskupic says, "For the first time in history, the court has two Jewish justices." This is incorrect. Louis Brandeis was appointed in 1916 and remained on the court until 1939. Benjamin Cardozo was appointed in 1932 and kept his seat until 1938.

BERNARD SINSHEIMER, Boulogne, France

BOOKS

TAP, TAP

By David Martin. 304 pages. \$20. Random House.

Reviewed by Carolyn See

THIS is the perfect gross-out novel for your friends or enemies, a literary fashion statement that's a lot of fun, if you're in the mood for it. It's billed as a "thriller," but it's too much fun to be a thriller.

Gross-out is the aim: the name of the game. And here in "Tap, Tap," when the desiccated, half-dead vampire begins chewing down half-live rats, the general effect is the same.

So, reading "Tap, Tap," preferably on a rainy afternoon, you can watch with perfect

equanimity as our headstrong vampire, Peter Tummelier, murders an awful old couple by sucking the blood right out of them. (Peter taps on things before he murders his victims.) None of these murders that Peter commits is very regrettable, because the victims are people generally loathed in popular culture — paunchy old guys in Sausagebells, leather-faced rich women who play too much golf, mean old ladies who snoop on their neighborhoods, pudgy-thighed promiscuous secretaries who pick up men in bars.

The story here isn't told by that lovable, ditsy vampire but from the point of view of Roscoe Bird, a straight-shooting guy who grew up on an island

off South Florida where his father used to run a charter boat service. But after Roscoe's dad died under mysterious circumstances, Roscoe was forced to leave the island. The unattractive old couple with the blood sucked out of them happened to have been instrumental in all this chicanery, which is why Peter Tummelier, a poor little rich kid who lived on the island at the time and idolized the Bird family, has decided to take his long-term vampire revenge.

The real story begins when Roscoe, who has had a wild, fairly debauched youth, finally decides to settle down in the big city with his beautiful new wife, Marianne. Finally, Roscoe may be getting over the sorrows of his boyhood, but all this precarious domesticity is knocked to smithereens when Peter shows up with blood on his breath and a plan for the two of them to buy a fancy yacht and sail around the world together.

Peter isn't as altruistic as he seems at first bite. Since he's a vampire, he needs his old friend to be his "guardian" to take care of all the logistical arrangements that go along with blood-sucking as a profession. Natu-

rally, Marianne doesn't take to this around-the-world plan.

How do you describe a book like this without giving away the plot? It's basically made up of a conversation, then a flashback, then a grisly murder. Every once in a while, characters speculate about what it takes to be a vampire.

So people chat for a while, then they remember for a while, and then Peter goes out and chews on somebody. My favorite murder scene is when he chomps down on a girl with pudgy thighs and gets as sick off that girl as if he'd eaten tainted potato salad at a church picnic.

Events speed up in the last third of the book. More characters are added, some of them vampires. There's an abduction and a chase. And a surprise ending that wouldn't surprise a 7-year-old, but that's O.K. This isn't about a chase or an abduction or a surprise ending. It isn't about vampires, really. It's about getting grossed out in a cozy game, whiling away afternoon hours.

Carolyn See reviews books regularly for The Washington Post.

Thursday

HEALTH/SCIENCE

With a wide range of topics from technology to space exploration, from recent medical discoveries to how the human brain functions, this in-depth feature brings up-to-date information on scientific and physical developments in the intriguing worlds of health and science.

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Israel and Palestinians Resume Talks Amid Growing Discord

By Clyde Haberman
New York Times Service

JERUSALEM — Almost as if reading from a well-worn script, Israeli and Palestinian leaders pledged Tuesday to push ahead in their peace talks even as they warned that their task had become increasingly difficult, to the point of crisis.

Events on Tuesday followed a pattern that in the last few months has become increasingly familiar, and discouraging, to both sides.

Senior negotiators met once more in Cairo, struggling for progress while back home fresh killings and land disputes showed how much rancor and mistrust remains between the two peoples despite the many high-level handshakes and shared peace prizes.

Each side blamed the other for heavy shooting on Monday night in which Israeli troops killed three Palestinian police officers at the northern tip of the Gaza Strip.

It was the bloodiest clash between the two forces since Gaza came under Palestinian control in May. Some Palestinian officials accused the Israelis of cold-blooded murder, but Israelis waved off the charge as total fiction and said that their soldiers had been fired on first.

In another example of differing versions of reality, the Palestinian police commander in Gaza, Major General Nasser Youssef, said Tuesday night that his officers had arrested 10 armed Israeli soldiers in civilian clothes as they rode in a van near the southern Gaza city of Khan Yunis. Their presence violated existing agreements, General Youssef said, adding, however, that the Israelis would be quickly released.

But Israel denied that any of its soldiers or security men — in or out of uniform — were in the hands of the Palestinian Authority, led by Yasser Arafat and in charge of Palestinian

autonomy in Gaza and the West Bank district of Jericho.

A senior Israeli official alleged bluntly, albeit anonymously, that Mr. Arafat's aides invent incidents to put Israel in a bad light when relations are rocky, as they are now.

"We know nothing about the arrests of any Israelis," the official said.

And if the armed clash was not enough, the two sides wrangled again over Israeli plans to expand the West Bank settlement of Efrat, southwest of Bethlehem — a dispute complicated by the fact that Prime Minister Yitzhak Rabin had to contend not only with outraged Palestinians but also with angry settlers.

On Monday, his government halted construction on a hilltop claimed both by Efrat and a nearby Palestinian town, Al Khader, whose residents and allies had held protest demonstrations to block a new housing project on what they called illegally confiscated land.

To placate the settlers, the government said that building would be allowed on a different hill, one closer to the center of the Jewish settlement and more distant from the Arab town.

But this attempt at compromise satisfied almost no one on Tuesday. And the dispute foreshadowed frictions that are likely to develop again and again as Mr. Rabin and Mr. Arafat try to move to a second stage of Palestinian self-rule, taking it beyond Gaza and Jericho to encompass the entire West Bank. The territories have been held by Israel since its victory in the 1967 Middle East war.

Settler leaders accused Mr. Rabin of surrendering to Palestinian threats and thus showing weakness, and they warned that they would hold protests of their own if construction did not start right away at Efrat. For their part, Palestinian Authority officials said that one hilltop was the same as another. At either site, they said, settle-

ment building is unacceptable and a threat to peace talks.

In this charged atmosphere, Foreign Minister Shimon Peres of Israel and Nabil Shaath, the chief Palestinian negotiator, met in Cairo to resume discussions of the next self-rule phase, which involves Palestinian elections and a companion Israeli troop withdrawal from West Bank population centers. Moods were grim.

"We are facing a real crisis," Mr. Shaath said, adding, "We are worried about the peace process. Our anxiety, our great sense of crisis is from the slow pace of movement, and we would do our best so far to make sure that this peace process succeeds."

Mr. Peres offered a more upbeat assessment, noting that the Gaza-Jericho phase "became a reality against many skeptics." Still, he said: "We have to overcome a great deal of difficulties and we are trying to do our best. We are building a new history."

Dozens of Plans But Little Reform As UN Nears 50

Washington Post Service

UNITED NATIONS.

New York — One of the few things the world seems to agree on these days is that the United Nations is past due for a general overhaul. Leaders around the globe have advocated a daunting reform agenda that calls for streamlining the bureaucracy and for modernizing the UN legislative bodies, the Security Council and the General Assembly.

As it approaches its 50th birthday this year, the United Nations has been bombarded with studies pointing the way to change. In one especially ambitious blueprint, two UN veterans, Brian Urquhart and Erskine Childers, even recommended taking the United Nations out of New York City to unify the whole spreading system in one headquarters elsewhere.

But so far efforts to revise the way the United Nations is governed have produced mostly discouraging results and revealed the immense difficulties of getting 184 nations to agree on changes that reconfigure the distribution of power among them.

The General Assembly concluded this fall that the 15-member Security Council must grow in order to be more representative of the modern world. The last time the council's membership was increased was at the height of the Cold War, in 1965. Washington has proposed to recognize the economic clout of Japan and Germany by adding them to

the current five permanent members: the United States, Britain, China, France and Russia.

But the current permanent members all have veto power, and both Japan and Germany insist on vetoes too.

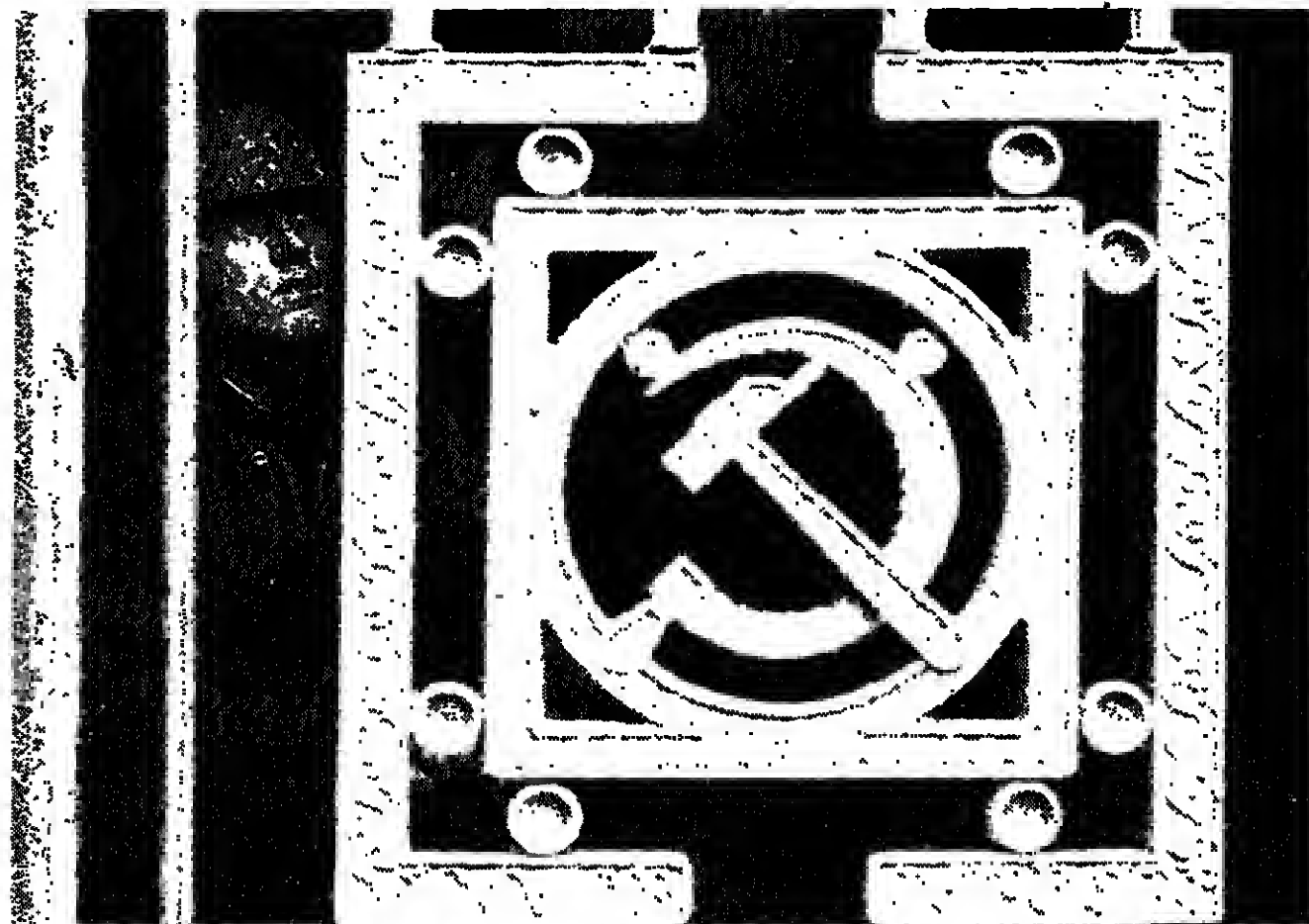
Many countries balk at giving any more nations veto power, since it was the veto that between the United States and the Soviet Union practically immobilized the United Nations for years.

There is wide agreement that the developing world needs to have more of a voice on the Security Council, but there is scant agreement about how to do it. The United States, fearing that too large a membership will make the council unwieldy, favors creating three new nonpermanent seats, to rotate among regional powers in Asia, Africa and Latin America. But how to choose those powers?

Pakistan gets chills at the idea of hostile neighbor India ascending to higher international rank. Nigeria is seen as representing sub-Saharan Africa, but its military government is hobbled by domestic political conflict. The Latin American leader Brazil does not want to be anything less than a permanent member.

Many diplomats bopped the new council would be ready for unveiling during the 1995 golden anniversary celebrations. But at the current pace the debate could drag on for years.

— JULIA PRESTON



A Chechen fighter in the Presidential Palace searching the sky Tuesday for Russian warplanes.

EU Plea to Moscow: Broker a Peace Deal But Russia Remains Silent

By Craig R. Whitney
New York Times Service

BONN — Germany and France said Tuesday that the European Union had asked Russia to invite a group of experts from the 53-nation Organization for Security and Cooperation in Europe to try for a peaceful solution to the battle for the secessionist province of Chechnya.

Roland Duqué, a spokesman for the French Foreign Ministry in Paris, said that European Union ambassadors in Moscow had made the suggestion on Friday, but that the 15-nation group had not yet received a response.

Diplomats said that the Europeans were unlikely to take the stronger actions called for by German critics of the Russian military assault on the Chechen capital, Grozny.

The critics wanted the government here to condemn Moscow for allegedly violating a code of conduct President Boris N. Yeltsin had just agreed to at

the last meeting of the group in Budapest, early last month.

The code pledges all participating governments to avoid harm to civilians and their property in internal security operations. Hundreds of civilians have been killed and their homes destroyed by Russian air attacks and tank and artillery fire in and around Grozny during the past few weeks, according to reports from the field.

"There is no doubt that they exceeded what was proportionate," the German foreign minister, Klaus Kinkel, said Tuesday, referring to the Russian offensive. "Naturally we back Yeltsin, but that does not alter the fact that we tell our partners clearly how we see things."

Mr. Kinkel said that he had urged Russia's foreign minister, Andrei V. Kozlov, to invite in experts from the security organization, formerly known as the Conference on Security and Cooperation in Europe, in a telephone conversation last week. But he noted that in any case the organization could do only what the Russians allowed it to do in Chechnya.

"The whole episode is a tragedy and it cannot be solved from abroad," Mr. Kinkel said, saying that he was against getting the UN Security Council involved.

Some diplomats said they believed that the Russians had probably also violated the terms of the 1990 and 1992 treaties limiting the size of armed forces in all the countries belonging to the NATO alliance and the former Warsaw Pact.

U.S. Backs Aims

The Clinton administration signaled unwavering support Tuesday for Mr. Yeltsin's aims, but not his tactics, in dealing with the rebellion in Chechnya. The Associated Press reported from Washington.

The State Department urged restraint on Mr. Yeltsin, with its spokesman, Michael McCurry, saying "this is clearly a difficult domestic matter for the Russian government."

But even the United States, with a long history as a democracy, "includes an episode in our own history of our country where we dealt with a secessionist movement through armed conflict," Mr. McCurry added.

RUSSIA: Desperate Troops

Continued from Page 1

initial assaults — using surrogates and mercenaries opposed to the rule of the Chechen leader, Dzhokar Dudayev — were repeatedly rebuffed.

Russians first pounded the city with bombs, killing many civilians and inspiring thousands of Chechens to support Mr. Dudayev, who had never been especially popular.

For weeks, Chechens awaited what they considered the inevitable — the storming of their capital. When it finally came on New Year's Eve, it was the worst possible type of assault: Reluctant Russian troops in light armored vehicles normally reserved for transport were slaughtered by Chechens with grenade launchers and heavy anti-tank guns.

Having failed in its first attempt to take the city by storm, Russian generals have few options open to them: They can continue the bombing that has already turned the city of 400,000 people into a rubble-strewn ghost town, or they can attack with far greater force.

Grozny is a broad, industrial, gently hilly town with well-defined borders but huge apartment buildings that have now become fair game for bombers, snipers and any troops that can take over. The war for the city cannot be mapped or planned, because it is a gun battle that ebbs and flows rather than an assault from organized lines.

But much of this has happened before. In the 19th century, the czar's armies attacked the Chechens for 40 years. They could never take Grozny, they could not defeat the rebels in the hills around the city either, so they finally decided to do what the Russian troops are doing now: They destroyed the villages surrounding the city. They razed the cropland and killed cattle. And in the end the weary Chechens had nothing else to do but give up.

That may not happen this time, though.

"Our slogan is freedom or death," said a soldier. "Now we are showing the world what that means. And then we will be free. If there is one Chechen left in the world then he will be free."

KREMLIN: Some Fear Yeltsin Is Under Influence of His Own 'Rasputin'

Continued from Page 1

dependency recalling the role reversal of master and valet in the Joseph Losey film "The Servant." As Mr. Yeltsin put it, "Korzhakov serves the president, but he has enough information to ruin him."

Yet even Mr. Korzhakov's harshest critics say he seems devoted to the president. Mr. Yeltsin has described Mr. Korzhakov as the most loyal friend in his life. When Mr. Yeltsin was dismissed from the Politburo in 1988 and went into political exile, Mr. Korzhakov lost his KGB job and volunteered to stay on with Mr. Yeltsin without pay.

"To this day, he never leaves my side, and we even sit up at night during trips together," Mr. Yeltsin wrote in his recently published autobiography. "While outwardly he seems very simple, behind this simplicity is a sharp mind and an excellent and clear head."

The Moscow native fulfilled his military service in the Kremlin regiment of the Russian Army and, in 1970, joined the 9th department of the KGB, the security service for top party

officials. He served some time in Afghanistan, and also earned a law degree by correspondence. He was promoted to the rank of general in 1992.

Mr. Yeltsin said that after he was injured in a car accident in

1990, Mr. Korzhakov "ripped off the jammed door with his bare hands."

Mr. Yeltsin also credited Mr. Korzhakov with devising the plan to storm the Parliament building in Moscow during the armed insurrection against Mr. Yeltsin's government in October 1993.

Soon after that debacle, Mr. Korzhakov's presidential security unit, once subordinate to the federal security service, was made independent. Now Mr. Korzhakov is said to lead a force of more than 4,000 men — three times the number of security officers ever assigned to the nation's Communist leaders.

The power of Mr. Korzhakov's security service was displayed in a recent clash with Vladimir Gusinsky, a Russian business leader who has been increasingly critical of Mr. Yeltsin's leadership.

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"I can't say exactly what Mr. Korzhakov's role is now, but it has become greater than just that of a protective service chief."

CONGRESS: Republican 'Revolution' to Start With a Marathon Session on New House Rules

Continued from Page 1

With America, the 10-point Republican manifesto.

The first 100 days could well alter the social fabric of America, as the lawmakers debate measures to cut welfare, strengthen the punishment of criminals, require a balanced federal budget, reduce taxes, limit the terms of members and bar even legal immigrants from scores of federal programs.

"It's really a unique moment," said Stuart Stevens, a longtime Republican media consultant. "Never before has a party been so dramatically articulated about what it wanted to do."

To keep the House focused on the contract, Mr. Gingrich has vowed that the document will be read on the House floor every morning before the start of business.

The first provision of the contract calls for a balanced-budget amendment and grants

the president a line-item veto. The House Judiciary Committee intends to hold hearings on the balanced-budget amendment immediately, with floor action expected on Jan. 19.

Most of the contract is not likely to be challenged by congressional Democrats, who are aware of the popularity of its provisions.

The House is to convene at noon Wednesday for the swearing-in of its members, including 87 newcomers. 73 of whom are Republicans. Mr. Gingrich, who was to be feted Tuesday in a daylong whirl of events akin to a presidential inaugural celebration, has said he wants the opening day to be the longest in House history.

House members can expect to work 20 hours a day, seven days a week, if necessary, in order to vote on the contract by early April.

Activity on the Senate side will remain more deliberate.

"We are not going to be able to move as quickly, by virtue of the rules," said Senator Bob Dole, the Kansas Republican who will become the new majority leader.

Demurring at suggestions that Mr. Gingrich might have promised more than the Senate could, or even wanted, to deliver, Mr. Dole said, "We have to sort of feel our way for a while to see how it works."

The important thing, he said, "is to do the things we said we would do."

In the House, the first item of business scheduled for Wednesday is a measure to require members to comply with a dozen laws they impose on everyone else. That means, for example, the House would no longer be exempt from laws that prohibit unfair labor practices, racial discrimination and discrimination against those with disabilities, as well as the Fam-

ily and Medical Leave Act of 1993.

House members will also move to trim committee staffs by one-third, reduce the number of committees and subcommittees and limit the terms of committee chairmen to six years and the term of the speaker to eight years. They also will prohibit committee chairmen from voting for absent members, which has been a powerful tool used by chairmen in the past to steer votes their way.

House Republicans also hope to adopt a rule requiring a three-fifths majority before any increase in income tax rates could be passed, a measure guaranteed to rouse the Democrats.

Shunted to the sidelines, 15 Democrats have already tried to stake out the high ground on this matter, telling Mr. Gingrich in a letter that he cannot circumvent the constitution by changing House rules.

In the letter, the group, organized by Representative David E. Bonior, Democrat of Colorado, notes that the constitution makes seven specific exceptions for requiring more than a majority vote and that increasing taxes is not one of them.

After swearing-in formalities on Wednesday, the Senate will get down to business the next day with a measure to reconsider federal regulations imposed on local governments that do not give those governments the money to pay for them. This "unfunded mandates" bill has been given the important symbolic designation of Senate Bill No. 1.

"We're looking for fundamental changes in government, not just cutting around the edges," said Senator Pete V. Domenici, the New Mexico Republican who is the incoming chairman of the Budget Committee.

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Marek Halter's Search for the 'Righteous' of Nazi Europe



Marek Halter

By Alan Riding
New York Times Service

PARIS — Long before "Schindler's List" reached the screen, Marek Halter, a French writer descended from Polish Jews, became obsessed with the idea of demonstrating that even at the darkest moments of the Holocaust, the Jews trapped in Nazi-run Europe were not without friends.

"I could never accept the notion that the whole world was against the Jews," he explained. "I could not accept philosophically that there was no good, no generosity, left in the world. To do so would mean living inside a moral or existentialist bunker, and that was too disagreeable."

So four years ago, he began his own search for "the righteous," as he puts it, gentiles who risked their lives to protect Jews during World War II. He wanted to pay tribute to their bravery. Above all, he wanted to ask, "Why did you save Jews?"

The result, a 160-minute documentary called "Tzedek: The Righteous," has just been released in France. Through the simple and often emotional testimonies of 36

men and women in 14 countries, Halter slowly builds his case: Good can survive even in the most evil of circumstances.

His evidence is the reasons these "righteous" gave for saving Jews: "because it was the right thing to do," "because I would have been ashamed if I had not done so," "because I am a Christian," "because the priest said we should," or "what would I have told my children?"

"This is different from Otto Schindler," Halter said recently, referring to the central figure of Steven Spielberg's movie "Schindler's List." "In my view, Schindler was a hero, but he was not a righteous. He fought evil with the methods of evil, a bit like in a western. But the behavior of the righteous is one that denies evil."

Halter's film — "Tzedek" means "justice" or "charity" in Hebrew — is to be shown at the Berlin Film Festival in February, and has so far been sold to distributors in Italy, Canada and Britain.

Halter, who was born in Warsaw in 1936, had a personal interest in the question of "the righteous." His family escaped the Warsaw ghetto and fled to Russia in 1941 with the help of two Polish Catholics.

But he has already discovered that the premise of his film is controversial.

"After a special showing in Israel, some Jews said it was too early to talk about good when the debate about evil was not yet exhausted," the burly and bearded Halter said in an interview.

In France, because he included eight French people who saved Jews, he heard complaints that he was somehow trying to rehabilitate the Vichy regime.

He said he wanted to show good as a reaffirmation of his belief in humanity. And he wanted the testimonies to act as a mirror that would lead filmmakers to question themselves.

Halter has long worked for human rights and justice in France and elsewhere. But the central theme of his books is memory: memory of his own family and of the Jewish people and also of the Holocaust.

Although about 11,000 "righteous" are honored at the Yad Vashem Memorial in Jerusalem, for the film Halter needed the spontaneity of those who had never been asked, "Why did you save Jews?"

He and his wife, Clara, traced some 200 "saviors" and collected 40 hours of video-

tape and 1,000 pages of interviews. "After verifying their stories, we picked 42 people," Halter said. "But it was then that I remembered the Talmudic tradition that each generation must produce 36 'righteous' for the world to continue."

In the film, which cost \$4 million to make and took one year to shoot and another year to edit, Halter is both narrator and interviewer. Appropriately, he starts in Warsaw with his childhood memories of the Nazi occupation in September 1939 and his family's eventual flight.

Immediately, he moves to Sarajevo, as if to underline the topicality of his subject. There he met Zvezdana Hardaga, 74, a Muslim woman who helped save two Jewish families and whose father was executed by the Nazis for hiding another Jewish family. Asked if she was ever afraid, she replied: "Humanity does not know fear."

credit for her actions. "I could have done more," she said. "This regret will follow me to my death."

In France, Halter found farmers, priests and even two survivors of a group of seven policemen in Nancy who variously hid Jews, helped them escape to Switzerland or warned them of roundups. "This doesn't make Vichy look good," the writer said. "The police in Nancy show that the rest of the French police had no excuse for helping the Nazis."

He noted that if 450,000 to 500,000 Jews survived World War II in German-occupied Europe, including 280,000 in France, "it was because in one way or other they were protected by someone." Yet it is to the motivation of the protectors that he constantly returns.

At the age of 27, named by the Nazis to run an oil company in Poland, Berthold Beitz hired 800 Jews who survived the war. Beitz, who is now 81 and vice president of the Krupp Foundation, set up by the German industrial conglomerate to benefit the arts, said he did it "for humanity." And he added softly, "As I look back, I can now say that I did something in my life."

Taking Black Psychology Into Movie Mainstream

Filmmaker Tries Appeal to a Wider Audience

By Michael Sragow
New York Times Service

LOS ANGELES — "Faulkner put race on the table," Charles Burnett says, "and he was aware of the black psychology. The right to exist, how to exist, the power to endure were always part of his theme."

Burnett, a 49-year-old filmmaker who grew up in the Watts section of Los Angeles, has Mississippi roots and an expansive cultural perspective. As Carl Lumbly, who co-starred in Burnett's best-known feature, the 1990 film "To Sleep With Anger," puts it: "Too often a director's reference points are films or television. Give me Ralph Kramden. Charles can take you to a particular moment in 'For Whom the Bell Tolls.'"

Because Burnett has made so few pictures, each new one is definitely an occasion for supporters of black independent film. Miramax will release his fourth, "The Glass Shield," later this year.

The movie stars Michael Boatman as a black rookie and Lori Petty as a Jewish deputy who runs up against racism and anti-Semitism as they expose police wrongdoing in Los Angeles.

LIKE all of Burnett's movies, "The Glass Shield" was done on the cheap; nevertheless, it tries to blend realism and splashy stylization. It marks a transition for the director. After two decades of making art films, Burnett is trying to appeal to a wider audience.

"The Glass Shield" follows a trail of corruption to government ranks while exploring the idea that blacks lead double lives. Burnett was drawn to the plight of the black police officer because he — like Frederick Douglass (a possible future film subject) and Joe Christ-

mas in Faulkner's "Light in August" — exists "in a white world and a black world at the same time."

Faulkner, says Burnett, understood how people with a foot in each world are forced to adjust, "how it affects their speech when they're in one or the other."

What bothers Burnett is that black film directors have not been able to further the aesthetic frontiers that were pioneered by black writers in the 1920s and '30s.

"We're 60 years behind the Harlem Renaissance," he says. "We're not even dealing with those issues of the language and psychology of a black person, man or woman."

Burnett notes that while the members of the Harlem Renaissance were reacting against the tradition of "having to write from a white perspective about black people for a white audience," black filmmakers today are still benighted by the dictates of a white industry.

"Why do blacks make so many violent films?" he asks. "Because that's the kind that sells. You can't talk about integrating black folklore and oral traditions and jazz when you're in a pitch meeting."

Burnett has found a certain freedom outside the mainstream. He has no desire to be a grandstand. He does not want to be Spike Lee, or even the anti-Spike.

"I want to be able to walk down the street and observe people without people observing me," he says.

In three films made on the frayed end of a shoestring, Burnett has explored untapped areas of black life. "Killer of Sheep" (completed in 1974) is a poetic evocation of working-class life in and around the Watts area of South-Central Los Angeles. In 1990, Burnett's no-budget film became one of the first 50 movies listed by the Library of Congress in the National Film Registry.

Working again with amateur or fledgling actors, he wrote and directed "My Brother's Wedding" (1983), a comedy-drama about a young man torn between the self-destructive street life and the sometimes-phony upward mobility within black communities in Los Angeles. Burnett won a MacArthur Foundation Fellowship in 1988, giving him \$275,000 over five years.

EVEN with the prestige of a "genius" grant, it wasn't easy for Burnett to launch "To Sleep With Anger," a blend of Southern black folklore and contemporary family drama set on the fringes of South-Central Los Angeles. Vincent Canby, writing in The New York Times, praised the movie as a "very entertaining, complex film, a comedy of unusual substance."

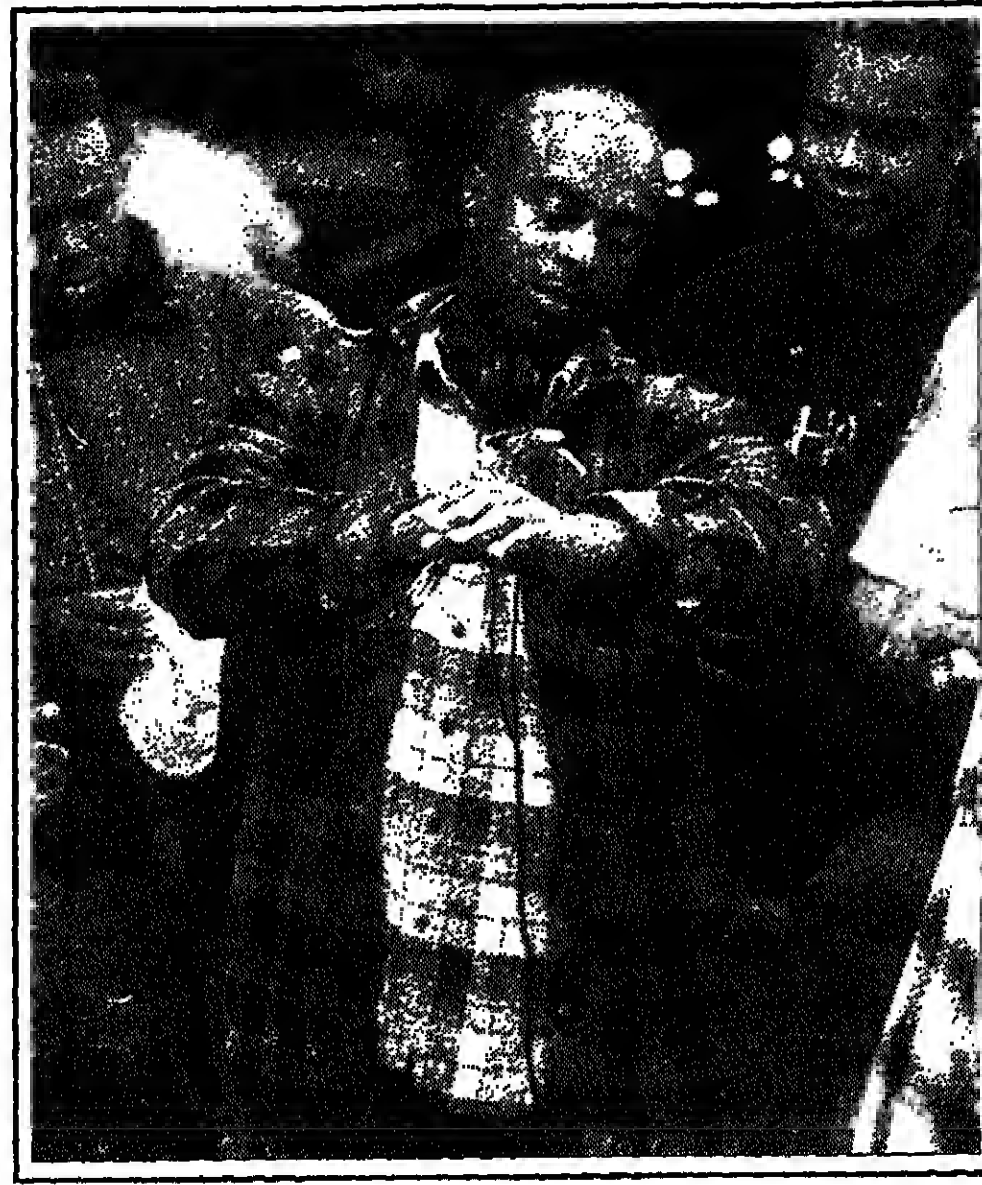
Despite an acclaimed performance by Danny Glover and rapturous responses at festivals, the film didn't win theatrical crowds. But a Burnett cult still grew.

Burnett was born in Vicksburg, Mississippi; his family moved to California when he was 3. He sees the Watts of the 1950s as a semirural extension of Dixie: "We would ride our bikes out to the swamps, places like Devil's Dip, nothing but hilly areas, or where oil wells used to be."

After high school he went to Los Angeles Community College, where he learned about student draft deferments and majored in electronics. There he took the most important course in his life, creative writing.

He discovered Camus and Faulkner and began to work at the main branch of the public library. He also frequented the movies, where he went for re-educating moral dramas like "Becket" and "A Man for All Seasons."

"I didn't know what to do with this passion," he said. "I



The director Charles Burnett, center, on the set of his film, "The Glass Shield."

didn't know what to call it. I didn't know what cinematography was. But I thought, 'Cinematography. That's a nice word.'"

So he applied to the University of California, Los Angeles, and eventually received both a bachelor's degree and a Master of Fine Arts. The reigning mode on campus in the late '60s and early '70s was creative anarchy, with arguments in the screening rooms and the classrooms.

"Slick Hollywood was suspect," he says. "The whole thing

was experimentation, personal vision." And ferocious competition. At student screenings, the atmosphere was volatile. "The kids were vicious. Teachers, faculty, everybody else would jump on you, too."

"Killer of Sheep," his MFA thesis project, zeros in on a hero who works in a slaughterhouse. He can't count sheep to fall asleep; that would remind him of his misery. He dreams that he's getting somewhere, though his family life veers on the brink of failure.

Burnett showed his new film out of competition at the Cannes International Film Festival last year. Todd McCarthy, a Variety critic, wrote:

"Although writer-director Charles Burnett throws more weighty social and political issues on the table than he can possibly dramatize coherently in less than two hours, 'The Glass Shield' emerges as a powerful moral drama. . . . At moments one can see the seed of a modern 'Chinatown' here."

'Philadelphia' And the Reality

By Clifford Rothman
New York Times Service

NEW YORK — One year ago, in the film "Philadelphia," Tom Hanks portrayed the gay lawyer Andrew Beckett who, at the beginning of the film, was seen at an AIDS clinic for an outpatient visit.

As the IV drips, Andrew looks impassively around the room. Then the camera pans the faces: a once-handsome man, now gaunt, jokes about how an obtuse waitress offered him Sweet 'n' Low. "Do I look like I need an artificial sweetener, honey?" he says to the man sitting next to him.

Farther down the row, another man sits quietly. He is a gentle, sandy-haired fellow of about 30, his face littered with lesions.

Both the gaunt man, the New York actor Daniel Chapman, and the sandy-haired fellow, a novice actor, Mark Sorenson, are now dead. They are among the 43 of the 53 people with AIDS or those who were HIV positive in "Philadelphia" who are now dead.

The group also included Ron Vawter, the gay actor who played Andrew's straight colleague (the lone voice of compassion within the white-shoe law firm), and Michael Callen, one of the singers in the Flirtations, the a cappella singing group that performs at Andrew's costume party.

And it included Lou Digenio, who appeared as an extra in several scenes. Digenio, who was 34 when he died, did not want to be invisible in the courtroom scenes. So he dyed his hair henna red, to avoid getting lost in the crowd.

"Philadelphia" became one of the most successful films of 1993, earning an Oscar for Tom Hanks and \$125 million at the box office worldwide before it was released on video. But audiences may have forgotten about the men in the film with AIDS.

Most of them had volunteered to populate the clinic,

party and courtroom scenes; many played AIDS activists. The producers came to Action AIDS Philadelphia for help in casting people with AIDS. "I tried to cast interesting people," said Bruce Flannery, who represents the organization. "But it wasn't very complex. In some cases, they needed people who were sick looking — in hospital scenes, for instance, where someone really robust would not have been right."

By contrast, he said, "to participate in the courtroom scenes you had to be able to make the commitment to be available for a whole month, and be strong enough to withstand the grueling schedule, including long days of shooting."

Jonathan Demme, the director, made a conscious decision to use as many people directly affected by the virus as possible. But the use of AIDS patients led to occasional tensions.

ONE incident involved David Bertigli, an extra who had AIDS. Bertigli was washing up one day after filming and noticed that the extra standing next to him was scrubbing his own hands with alcohol. "You never know," said the man.

"He was afraid he was going to catch HIV," said Gary Bailey, who lives with Bertigli and was also an extra in the film. Two years after "Philadelphia" was shot, Bertigli's T-cell count has dropped, along with his weight. Bailey reported that his family recently came to visit. "They were here to plan my funeral," he said. "Of all the conversations I've had with my parents, this one was the hardest. My father, who is politically a little to the right of Attila the Hun, cried like a baby. If anyone thinks that talking about sex is difficult, try talking to someone you care for about how they want to be buried."

Clifford Rothman who has written about the arts for The Los Angeles Times and The Washington Post, wrote this for The New York Times.

French Film Dubbers End Strike, Set Talks

Agence France Presse

PARIS — More than 400 artists who dub foreign-language films and television series into French ended a strike of more than 10 weeks Tuesday after a promise of talks on their demands for royalties.

The strike had left television companies without American cartoons, soap operas and crime series, disrupted cinema releases and deprived technical and other staff of distribution companies of work.

The dubbing actors were demanding recognition of their status as creative artists, and especially the payment of royalties for repeats of their films on television or sales on video-cassettes.

A mediator was appointed after a judge ruled their demands legitimate and Culture Minister Jacques Toubon last month publicly backed the strikers. Talks between the two sides are set to begin Thursday.

The strike meant that one film, "The Band Played On," recounting the arrival of AIDS in the United States, could be given only limited release in English with subtitles because it was dubbed into French in Canada.

'A Tale of 2 Cities': For Dickens, the Best of Times

By Sheridan Morley
International Herald Tribune

LONDON — It has been the Dickens of a winter thus far: "Mars Chuzzlewit" heading the television ratings, "A Christmas Carol" at the Barbican, "Oliver!" at the Palladium and now at the Greenwich, "A Tale of Two Cities" in a splendid staging by Matthew Francis.

The Greenwich has a tradition of rousing good tales for the holiday season. Last year, it was "The Prisoner of Zenda," and once again Francis has done a resourceful adaptation for a small cast on a budget.

True, this one is very slow-starting. It is also oddly similar to "Zenda" (and indeed, "The Devil's Disciple,"

recently back at the National) in its plot about a cynic standing in for an apparent hero with such stylish disregard for his own mortality that we come to love the stand-in rather than the man he rescues.

There is a great moment just as the first half ends, when Francis assembles his company on a two-tier set showing us the tranquil London family while above them peasants march on the Bastille, thus preparing for a nail-biting second half of rescue and revenge and retribution leading up to the guillotine and the far, far better thing that Sydney Carton does.

Timothy Walker splendidly suggests a man in love with idea of his own death long before he gets to it, and Eleanor Mettrem is a suitably rapid Lucie Manette.

But what Francis does best as adapter-director, here as in "Zenda," is to suggest the full sweep of historical narrative thrillers. Bernard Lloyd is the ever-faithful Jarvis, while Heather Tobias and Ian Mitchell are the villainous Defarges.

But the real star is Dickens, whose sure sense of cliff-hanging scenes and

LONDON THEATER

character carries an unashamedly old-fashioned evening through to its implausibly happy conclusion: It was the best of times.

As Chichester goes into a new year with a new directorial team (Duncan Weldon and Derek Jacobi replacing Patrick Garland), that theater sends to the Albany in London a touring production of Sheridan's "The Ri-

vals" that underlines the old virtues. What Chichester often does best is big old stars in big old shows: Here Richard Johnson and Patricia Routledge lead an otherwise rather nondescript cast through a production by Richard Cottrell that might happily have been found at the Theatre Royal, Haymarket, at any time between 1936 and 1965.

This is not necessarily a bad thing. At a time when every other stage in London is full of directors "making their marks" on the classics, not always to the advantage of the classics, Cottrell retains a magnificent anonymity, confining himself merely to a detailed historical program note (also released to the company during rehearsals) in which he describes in considerable economic and social de-

tail just what life was like in Bath in 1775.

The role here is of course Mrs. Maltrap, and Routledge plays her at full tilt, hollering across the stage like some stately galleon while she searches out yet another way to mangle the English tongue.

Johnson is a little subdued as the elder Absolute, but Adam Godley is an intriguing off-center Faulkland and most of the rest of the acting is in fact done by costumes and sets.

This is a "Rivals" for those who thought they didn't make them like that any more.


Its assets are a back-to-basics clarity of diction, and a belief that a play that has filled houses for more than 200 years doesn't need to be messed about in the name of contemporary relevance.

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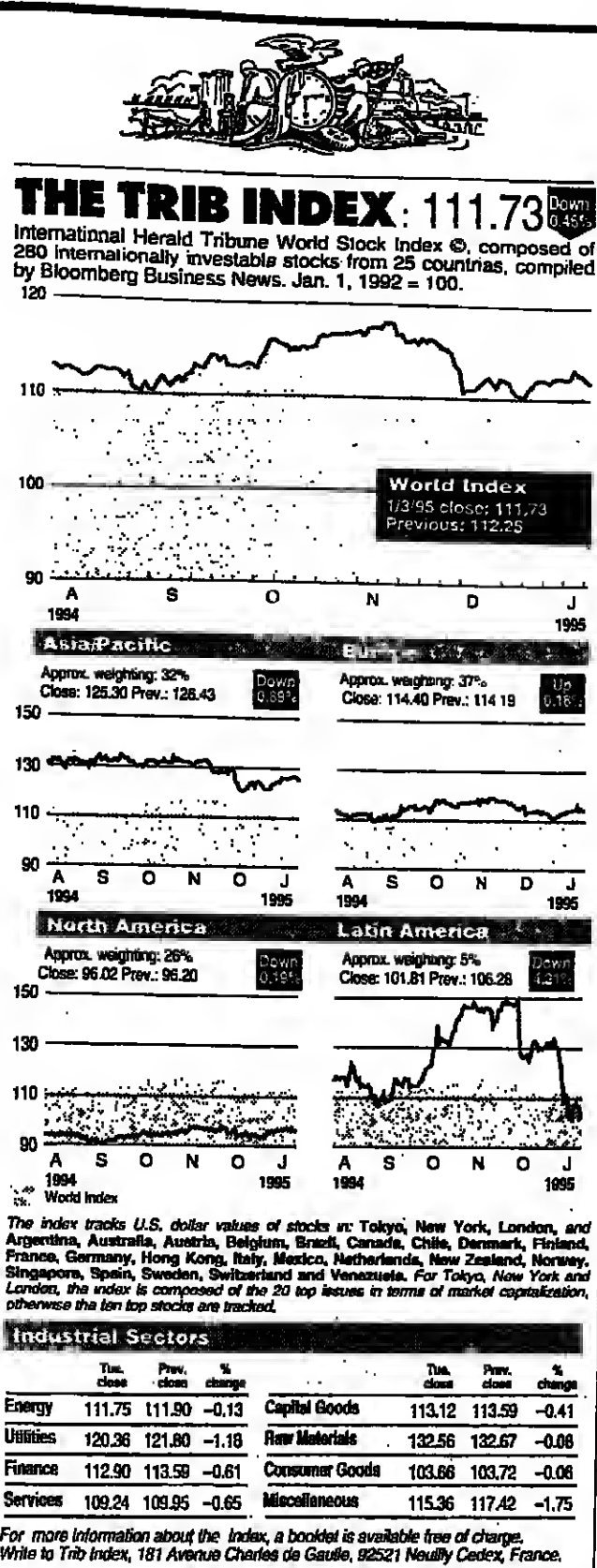
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Maurice Saatchi Hits Back

Ad Titan Makes A Stormy Exit

By Richard W. Stevenson
New York Times Service

LONDON — Maurice Saatchi rejected a demotion and broke completely with the advertising agency he co-founded 25 years ago, hitting back Tuesday at the institutional shareholders who ousted him as chairman of Saatchi & Saatchi Co.

In a blistering letter to the company's employees, Mr. Saatchi said the shareholders had in effect taken control of the company, creating an atmosphere in which the term "advertising man" was used as an insult. He blamed the big investors for plunging the company into "uncertainty and instability."

A group of shareholders controlling a 30 percent stake in the company, Mr. Saatchi said, dictated these orders to the board: "Take your chairman into a corner and shoot him quickly—we don't want the fuss of a public trial."

Mr. Saatchi sent his message to the company's employees after formally turning down the board's request that he stay on as chairman of a subsidiary. He was forced out last month as chairman of the parent company.

The shareholder revolt was nominally about Mr. Saatchi's latest proposed pay package, which would have amounted to £5 million (\$7.8 million), if the company's share price doubled in the next three years. The stock, which peaked in 1987 at £54 a share, closed Tuesday at £1.46, down 3 pence, on the London Stock Exchange.

Institutional shareholders, led by David Herro of Harris Associates of Chicago, had pressed for Mr. Saatchi's removal.

Mr. Saatchi has not disclosed his plans, but he is widely reported to be considering starting a new agency.

Looking at the Fine Print Contract With America Spells Change

By Diana B. Henriques
New York Times Service

NEW YORK — From Madison Avenue image-makers to West Coast petrochemical producers, from mutual-fund operators in Boston to cigarette makers in Virginia and the Carolinas, American business has a lot riding on the new Republican leadership that will take control of Congress this year.

The Contract With America, the House Republican statement of policy priorities drafted before the election that gave the party control of Congress for the first time in 40 years, sets out the early agenda.

It calls for sweeping changes in the handling of business lawsuits, substantial tax reductions for capital gains, incentives to spur investment by industry, new tax cuts for individuals who put aside savings and curbs on the federal regulatory burden.

But just as important as what Congress does, industry leaders and lobbyists caution, is what it leaves undone. Many are puzzling over how the fine print in the Republican's contract will affect them in real life.

"Take 'tax-code reform,'" said Wally Snyder, president of the American Advertising Federation, an umbrella organization of advertising firms and professionals.

Under that rubric, eliminating advertising from the roster of deductible business expenses "might be seen by some as a way to bring in more money," Mr. Snyder said. "That's why we're putting so much emphasis on educating this new group of members of Congress. We're taking no chances."

A host of industries are likely to be affected by the changes in Washington. These are among the highlights:

• For Wall Street, said Marc Lackritz,

president of the Securities Industry Association, the industry's trade association, there are several areas worthy of attention.

All financial services companies, especially mutual-fund managers and marketers, stand to benefit if Congress widens the availability of individual retirement accounts and makes them more attractive. Securities firms would be big winners if Congress promotes business capital investment and rescinds rules requiring early disclosure of plant closings caused by takeovers or mergers.

Wall Street also sees a reduced capital gains tax as encouraging investment, and thus spurring commissions.

But other high-priority proposals affecting the financial markets are not so easy to call: The Glass-Steagall Act, which restricts certain securities activities by banks, is certain to undergo changes, but bankers and brokers are at odds over the most likely outcome. Similarly, several new congressional leaders support freer trade in financial services, but Wall Street is unsure what it would have to offer to foreigners in return for access to their markets.

• The banking industry, apart from the Glass-Steagall issue, will be looking to the new Congress to rein in the Justice Department's aggressive efforts to enforce the Community Reinvestment Act's fair-lending provisions, industry analysts said. The law is meant to direct commercial bank loans to poor neighborhoods.

• The insurance industry is paying attention to two big issues. Most important is the revision of the Superfund law, which determines liability for cleaning up industrial

See CHANGE, Page 11

U.S.-China Rift Upsets Market In Hong Kong

By Kevin Murphy
International Herald Tribune

HONG KONG — Fears that a trade war between Beijing and Washington might be inevitable because of tense domestic politics in the two capitals helped drive Hong Kong stocks sharply lower Tuesday.

Past trade disputes between China and the United States have generally opened with maximum drama only to end, several deadlines and minor concessions later, with few casualties on either side.

But business executives and analysts here said they feared the dispute over protection of intellectual property rights in China could end on a more damaging note. For that, they blamed the timing of the dispute more than the issues involved.

"I don't think the issues are insurmountable," said John Kamm, a Hong Kong-based consultant on China business who also lobbies for human rights. "But a number of changes in the political climate will make it harder to resolve than previous disputes."

The benchmark Hang Seng Index fell 4.24 percent Tuesday, closing at 7,844.14, in its first day of trading in 1995 as investors assessed Washington's threat to impose punitive tariffs on \$2.8 billion of Chinese exports and Beijing's likely response — sanctions on U.S. goods and obstacles to American investment.

On the Shanghai exchange, stocks open to foreign investment fell 1.4 percent Tuesday, as no signs emerged of an end to the impasse.

Washington is preparing to penalize Chinese exports starting Feb. 4 over the pirating of American entertainment and computer software and other intellectual property that it esti-

mates costs American companies nearly \$1 billion in sales annually.

In addition, Trade Representative Mickey Kantor said Saturday that the United States would judge China's application to join the World Trade Organization on the basis of its performance in protecting intellectual property rights and demanded an immediate crackdown on 29 compact-disk fac-

See TRADE, Page 11

Chemical Bank Takes Big Loss On Peso Trade

Compiled by Our Staff From Dispatches

NEW YORK — Chemical Banking Corp. said Tuesday that unauthorized bets on the Mexican peso by one employee caused losses of \$70 million before taxes in the fourth quarter. It said the transactions were undertaken by an employee in New York who took positions in the peso in violation of authorized risk limits and then concealed the positions.

Chemical said the losses, which will amount to \$40 million after taxes, were sustained when the value of the peso fell sharply in late December. The bank said the positions have since been brought within authorized risk limits and that while an investigation is under way, it did not expect any further impact on its bottom line.

A spokesman said the losing trades were simple bets on the future price of the peso and did not involve derivative contracts that would have multiplied losses.

Chemical expects to release fourth-quarter results on Jan. 17. (Bloomberg, Reuters)

Europe Divided on TV Quotas

By Tom Buerkle
International Herald Tribune

BRUSSELS — A proposal to toughen European Union quotas on television programming, one of Europe's most controversial industrial-policy issues, continued to divide the European Commission on Tuesday, the eve of a crucial debate.

In a bid to unblock a two-month-old deadlock on the proposal, the commissioner for culture, João de Deus Pinheiro,

has softened some of its provisions by offering to give new channels up to seven years to meet the quotas and excluding future services, such as video on demand, from quotas, commission sources said.

But sources said Mr. Pinheiro was insisting on eliminating a phrase in existing law that requires broadcasters to show at least 51 percent European programming "where practicable."

That caveat has allowed coun-

tries like Britain to ignore the law and permit channels like Rupert Murdoch's BSkyB and Ted Turner's TNT to beam predominantly American programs into homes.

The proposal also would apply quotas only to fiction and documentary programs, an attack at stations that meet current quotas largely through talk shows and other cheap enter-

See TV, Page 10

MEDIA MARKETS

China Keeps a Lid on Foreign Media

By Laura Dodge
Bloomberg Business News

HONG KONG — Since the Chinese government hinted two years ago that it would begin allowing foreign publications into the country on a joint-venture basis, foreign media have been hungrily eyeing China's vast market, and sometimes even cutting deals.

But recent events have dashed their hopes. China has begun clamping down on the incipient expansion of foreign press.

Amid a deluge of applications to publish and set up media joint ventures, China appears to be backing away from its policy on opening its media markets. Most recently, the Guangdong News and Publications Administration ordered "Modern Mankind," a daily in Guangzhou, to cease publication. "Modern Mankind" is partly owned by CIM Co. the Hong Kong-based company that also controls Ming Pao Enterprise Corp., the newspaper concern.

Chen Yingming, an official at the foreign cooperation department of the State Press and Publications Bureau, said foreign publishers were only allowed to enter the Chinese market in joint ventures with Chinese publishing houses.

He said the few magazine publishing joint ventures that have been set up in China had required special approval from his bureau.

"Newspapers are more sensitive, so until now joint ventures in this area have not been allowed," Mr. Chen said. "If it

is allowed then a new regulation will be issued. There needs to be a process."

He said he was not familiar with the Hong Kong publishing ventures and the official concerned was out on business.

Walt Disney Co.'s joint-venture magazine "Mickey Mouse" set up with the publishing house of China's postal service, was approved in 1993 after three

'We will publish mainly business-economic news. It's already understood you can't print the news freely.'

Sally Aw Sian, chairman of Sing Tao Ltd.

years of talks. A executive involved with the venture said characters like Donald Duck's Uncle Scrooge, who bathes in gold coins, were censured out to avoid offending socialist sensibilities.

According to media sources in Hong Kong, the deluge of applications for joint-venture and independent media publications in China has caused the central government to reconsider its policy on allowing media to expand in China.

"It's always going to be that way. You don't know what kind of approval it will take to break through," said Donald Keyser, a media analyst at Baring Securities (Hong Kong) Ltd.

"Based on the amount of people publishing now, I'd say there have been a lot of hints and promises. But nobody's actually gotten anything up and running," Mr. Keyser said.

Several media companies have put their China expansion plans on hold, awaiting central and provincial government approval.

Sing Tao Holdings, the publisher of the Chinese-language Sing Tao Daily and the English-language Hongkong Standard, had plans for a joint venture in Shenzhen to publish a daily newspaper, the Shenggang Economic Times. The original agreement was signed in November 1993, but Chinese authorities have stalled the deal and Sing Tao is still waiting for approval.

"You have to go at China's speed," said Sally Aw Sian, chairman of Sing Tao Ltd. "We were granted approval six months ago, but we have to rearrange the details of the joint venture in view of the change of the government's policy towards the media."

"We will publish mainly business-economic news. It's already understood you can't print the news freely."

She said she thought China's decision to delay Sing Tao's joint venture was a result of its unclear position on what kind of foreign publications to allow in.

"Good luck to them," said David Armstrong, chief editor at the South China Morning Post. "With so many problems for circulation in China, I wonder about the value of a joint venture. It's less than an ideal solution."

CURRENCY & INTEREST RATES

Cross Rates									
	\$	£	D.M.	F.F.	Lira	D.P.	B.P.	Yen	₹
Amsterdam	1.7411	2.779	1.17	1.334	1.010	1.41	1.380	1.251	1.74
Brussels	32.975	58.0	26.5	19.25	1.010	1.41	1.380	1.251	1.74
Frankfurt	1.580	2.642	1.17	1.334	1.010	1.41	1.380	1.251	1.74
London (a)	1.580	2.642	1.17	1.334	1.010	1.41	1.380	1.251	1.74
Madrid	162.10	283.32	124.0	84.0	1.010	1.41	1.380	1.251	1.74
Mexico	162.10	283.32	124.0	84.0	1.010	1.41	1.380	1.251	1.74
New York (b)	1.580	2.642	1.17	1.334	1.010	1.41	1.380	1.251	1.74
Paris	1.580	2.642	1.17	1.334	1.010	1.41	1.380	1.251	1.74
Tokyo	1.487	2.779	1.17	1.334	1.010	1.41	1.380	1.251	1.74
Zurich	1.580	2.642	1.17	1.334	1.010	1.41	1.380	1.251	1.74
1 ECU	1.276	0.740	1.981	0.576	1.982	2.12	20.42	1.611	122.87
1 SDR	1.487	0.722	2.082	0.561	2.084	2.27	22.42	1.611	122.87

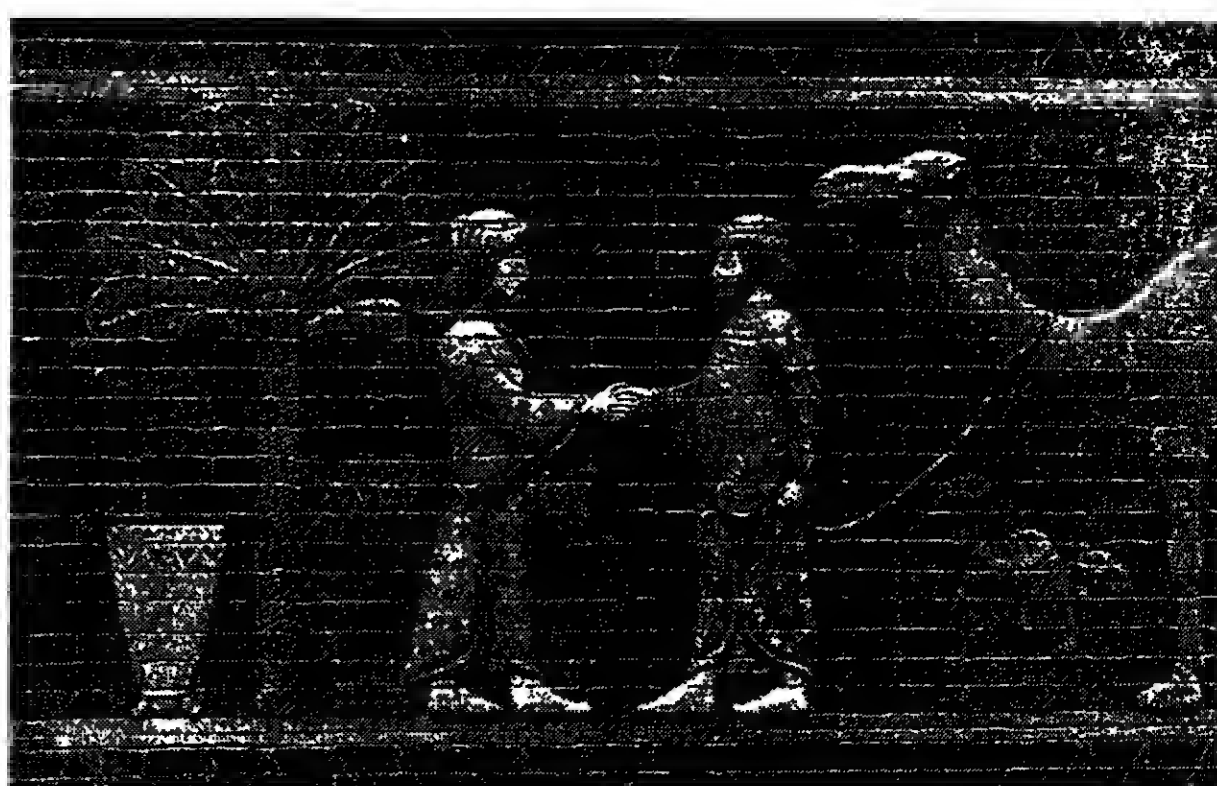
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Other Dollar Values									
Currency	Per \$	Currency	Per \$	Currency	Per \$	Currency	Per \$	Currency	Per \$
Australian dollar	1.3614	Guatemalan quetzal	2.779	Malaysian ringgit	2.547	S. Afr. rand	2.547	Swiss franc	1.487
Canadian dollar	1.3614	Hong Kong dollar	7.759	N. Zealand \$	1.527	S. Korean won	208.40	Thai baht	25.10
Chinese yuan	8.2713	Indian rupee	118.69	Philippine peso	24.72	Taiwan \$	24.72	Turkish lira	370.0
Czech koruna	27.94	Indonesian rupiah	1,577	Port. escudo	19.36	Urugu. peso	24.72	U.S. dollar	1.000
Deutsche mark	1.5562	Israeli sheqel	3.072	Russ. ruble	25.10	Venez. bolivar	169.87		
French franc	1.3336	Kuwaiti dinar	0.2937	Saudi riyal	1.454				
		Malay. ringgit	2.547						

Forward Rates									
Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day	Currency	30-day
French franc	1.5472	1.5612	1.5612	Canadian dollar	1.3777	1.394	1.392	Japanese yen	112.2
Deutsche mark	1.5562	1.5564	1.5564						
Swiss franc	1.3336	1.3336	1.3336						

Sources: ING Bank (Amsterdam); Deutsche Bank (Frankfurt); Banca Commerciale Italiana (Milan); Agence France Presse (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from Reuters and AP.

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MARKET DIARY

Rate Jitters Sap 1995 Stock Debut

NEW YORK — Stocks were mixed on the first trading day of the new year as rising interest rates hurt shares of businesses that are closely tied to savings in the economy.

The Dow Jones industrial average rose 4.04 points, to 3,338.48, as 14 of its 30 stocks gained.

"We enter 1995 with a continued case of inflation and in-

terest-rate jitters, and there's no indication that the Federal Reserve is going to ease off," said Alan Ackerman, market analyst at Reich & Co. "The higher the Fed raises rates, the weaker the market is likely to be."

U.S. Stocks

Almost 12 stocks fell in price for every 11 that advanced on the New York Stock Exchange, where volume was 352.1 million shares, up from 256.1 million on Friday. The market was closed Monday for the New Year's holiday.

Government bond yields rose for a fourth day and the concerns about inflation. The yield on the benchmark 30-year Treasury bond rose to 7.92 percent from 7.88 percent on Fri-

day, as the price slid 14/32 point, to 95 7/32.

The gain in the Dow industrial was fueled largely by Sears, which climbed 1 1/2 to 47 1/2 amid optimism about its Christmas sales.

Kodak rose 1/2 to 48 1/2 after the film maker closed the \$1.55 billion sale of its household products unit to Britain's Reckitt & Colman and said it was in talks to sell as much as \$75 million worth of photocopyers to IBM.

Woolworth rose 1/2 to 15 1/2 after Byron Wien, Morgan Stanley's director of U.S. portfolio strategy, named the retail chain one of four "surprise picks to do well" in 1995.

3Com dropped 1 1/2 to 49 1/2 after the computer networking company was lowered to outperform from buy at Lehman Brothers.

Nordstrom slumped 1 1/2 to 40 1/2 after Merrill Lynch said December retail sales were likely to be weaker than expected when released on Thursday.

American depositary receipts issued by Mexican companies slipped along with the peso. Telefonos de Mexico fell 2 1/2 to 38 1/2 and the Emerging Mexico Fund fell 1 1/2 to 11 1/2.

Rate-Rise Expectations Send the Dollar Higher

NEW YORK — The dollar rose on Tuesday as inflationary signs in the United States and the Federal Reserve Board would raise interest rates at the end of January.

The prices-paid component of the National Association of Purchasing Management's index for

Swiss francs from 1.3090. The pound fell to \$1.5630 from 1.5665.

"Inflationary pressures are going to be clearly on the rise in 1995, and I expect the Fed to be fairly aggressive," said Michael Rosenberg, vice president for international research at Merrill Lynch & Co.

Another report pointing to a need for tighter credit came from a weekly private survey on U.S. chain store sales, which showed a 3.0 percent jump in the last week of December from November.

The Fed's policy-making Open Market Committee meets on Jan. 31, and many traders and analysts said they expected a rate rise to result from that meeting.

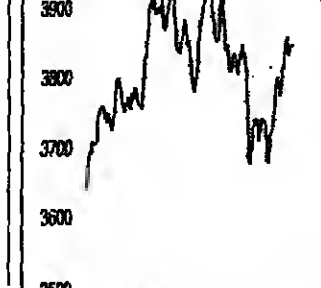
But the dollar's advance on that sentiment was checked by a drop in U.S. Treasury bond prices, which fell on the inflation signals. Bond prices are often seen as an indicator of foreign demand for dollar-denominated assets, so lower bond prices tend to weigh down the dollar.

(Reuters, Bloomberg, Knight-Ridder)

The Dow

Daily closings of the Dow Jones industrial average

4000



J A S O N D J 1995

INT

NYSE Most Active

Vol.	High	Low	Last	Chg.
Boeing	92.00	91.75	91.75	+0.25
IBM	125.00	124.75	124.75	+0.25
Microsoft	55.00	54.75	54.75	+0.25
Oracle	45.00	44.75	44.75	+0.25
Intel	35.00	34.75	34.75	+0.25
Novell	25.00	24.75	24.75	+0.25
3Com	49.50	49.25	49.25	-0.25
Nordstrom	40.50	40.25	40.25	-0.25
Kodak	48.50	48.25	48.25	+0.25
Sears	47.50	47.25	47.25	+0.25

NASDAQ Most Active

Vol.	High	Low	Last	Chg.
Viewpoint	13.00	12.75	12.75	-0.25
NetScout	12.00	11.75	11.75	-0.25
SpecTel	11.00	10.75	10.75	-0.25
Intel	35.00	34.75	34.75	+0.25
Novell	25.00	24.75	24.75	+0.25
3Com	49.50	49.25	49.25	-0.25
Nordstrom	40.50	40.25	40.25	-0.25
Kodak	48.50	48.25	48.25	+0.25
Sears	47.50	47.25	47.25	+0.25

AMEX Most Active

Vol.	High	Low	Last	Chg.
Visa	24.00	23.75	23.75	-0.25
MasterCard	23.00	22.75	22.75	-0.25
Discover	22.00	21.75	21.75	-0.25
AMEX	21.00	20.75	20.75	-0.25
AMEX	20.00	19.75	19.75	-0.25
AMEX	19.00	18.75	18.75	-0.25
AMEX	18.00	17.75	17.75	-0.25
AMEX	17.00	16.75	16.75	-0.25
AMEX	16.00	15.75	15.75	-0.25

Market Sales

NYSE	Vol.	High	Low	Last	Chg.
NYSE	352.1	125.00	124.75	124.75	+0.25
NASDAQ	352.1	125.00	124.75	124.75	+0.25
AMEX	352.1	125.00	124.75	124.75	+0.25
AMEX	352.1	125.00	124.75	124.75	+0.25
AMEX	352.1	125.00	124.75	124.75	+0.25
AMEX	352.1	125.00	124.75	124.75	+0.25
AMEX	352.1	125.00	124.75	124.75	+0.25
AMEX	352.1	125.00	124.75	124.75	+0.25

TV: European Debate on Restricting Programming Goes Down to the Wire

Continued from Page 9

tainment while buying lots of American films and dramas. The proposal is political dynamite, pitting France and its desire to protect and promote its entertainment culture against Germany and Britain, which are ideologically opposed to quotas and see them as an ineffective way of enabling Europe's programming industry to compete with Hollywood.

France, which has just taken

Dow Jones Averages

Index	High	Low	Last	Chg.
Dow Jones	3342.50	3338.48	3338.48	+4.04
S&P 500	1012.50	1010.00	1010.00	+2.50
NASDAQ	2561.00	2550.00	2550.00	+10.00

Standard & Poor's Indexes

Index	High	Low	Last	Chg.
Industrials	1012.50	1010.00	1010.00	+2.50
Technology	1012.50	1010.00	1010.00	+2.50
Healthcare	1012.50	1010.00	1010.00	+2.50

NYSE Indexes

Index	High	Low	Last	Chg.
NYSE	125.00	124.75	124.75	+0.25
NASDAQ	2561.00	2550.00	2550.00	+10.00
AMEX	21.00	20.75	20.75	-0.25

NASDAQ Indexes

Index	High	Low	Last	Chg.
NASDAQ	2561.00	2550.00	2550.00	+10.00
AMEX	21.00	20.75	20.75	-0.25
AMEX	20.00	19.75	19.75	-0.25

AMEX Index

Index	High	Low	Last	Chg.
AMEX	21.00	20.75	20.75	-0.25
AMEX	20.00	19.75	19.75	-0.25
AMEX	19.00	18.75	18.75	-0.25

Dow Jones Bond Averages

Bond	High	Low	Last	Chg.
10-Year	95 7/32	95 1/2	95 7/32	-1/32
30-Year	101 1/2	101 1/4	101 1/2	+1/8
5-Year	100 1/2	100 1/4	100 1/2	+1/8

NYSE Diary

Index	High	Low	Last	Chg.
NYSE	125.00	124.75	124.75	+0.25
NASDAQ	2561.00	2550.00	2550.00	+10.00
AMEX	21.00	20.75	20.75	-0.25

AMEX Diary

Index	High	Low	Last	Chg.
AMEX	21.00	20.75	20.75	-0.25
AMEX	20.00	19.75	19.75	-0.25
AMEX	19.00	18.75	18.75	-0.25

NASDAQ Diary

Index	High	Low	Last	Chg.
NASDAQ	2561.00	2550.00	2550.00	+10.00
AMEX	21.00	20.75	20.75	-0.25
AMEX	20.00	19.75	19.75	-0.25

Spot Commodities

Commodity	High	Low	Last	Chg.
Gold	380.00	379.00	379.00	-0.50
Silver	16.00	15.75	15.75	-0.25
Copper	1.50	1.48	1.48	-0.02

Industrials

Index	High	Low	Last	Chg.
Industrials	1012.50	1010.00	1010.00	+2.50
Technology	1012.50	1010.00	1010.00	+2.50
Healthcare	1012.50	1010.00	1010.00	+2.50

WORLD STOCK MARKETS

Agence France Presse Jan. 3

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U.S. FUTURES

By Associated Press Jan. 3

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Stock Indexes

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EUROPE

Alcatel Trims Management In Germany

Compiled by Our Staff From Dispatches

STUTTGART — Alcatel SEL AG, the struggling German unit of Alcatel Alsthom SA, announced Tuesday the departure of its top two executives and a streamlining of its management structure.

The company said that Gerhard Zeidler, 58, its chief executive, would go into retirement by mutual consent. Hans-Ulrich Schröder, 51, the deputy chief executive, will do the same.

Peter Landsberg, who has been head of the communications-networks division, will join the management board to serve as its "speaker," effectively becoming the new chief executive.

To eliminate a layer of management, the company said it would appoint the heads of other operating divisions to the management board.

The company said the aim of the changes, which were approved by the supervisory board, was "efficient execution of the restructuring program, the goal of which is a quick and significant improvement in earnings."

Competition in telecommunications equipment has pressured Alcatel. In November, the German unit said it would close plants at Mannheim and Rottweil, and cut a total of 5,300 jobs by the end of 1995.

Those job cuts would reduce the company's work force by nearly a quarter, to around 16,000. The company said at the time that the downsizing efforts would reduce costs by 400 million Deutsche marks (\$257 million) a year and allow it to return to profitability by 1996.

When he announced the restructuring program in November, Mr. Zeidler said Alcatel SEL was "losing about 1 million DM a day." The German unit accounts for about a fifth of Alcatel Alsthom's telecommunications sales.

On Monday, GEC Alsthom, Alcatel's joint venture with General Electric Co. of Britain, said its president, Jean-Pierre Desgeorges had resigned. It did not say why. (Bloomberg, AP)

A Soviet-Era Hangover

Wismut Cleans Up After Former Self

By Brandon Mitchener

International Herald Tribune

SCHLEMA, Germany — When silver miners first unearthed a certain hard, black rock beneath the Erzgebirge mountain range over centuries ago, they called it "Teufelsdröckchen" or bad luck, because they did not know what to do with it.

The rock's radioactivity was not discovered until early this century, and was originally a source of prosperity as legions of sick and elderly flocked to this small town's famous radium baths, which it claimed were the strongest in the world and possessed the power to heal.

After World War II the rock — uranium — became a mixed blessing as the Soviet Union, which occupied this part of Eastern Germany, declared the town off-limits and proceeded to turn it into a dump site for what would become the third-largest uranium mine in the world.

Today, Schlema is one of Europe's largest and most expensive environmental-cleanup sites and a monument to the lasting damage done in the name of socialist self-sufficiency.

While the Treuhänder privatization agency has finished selling off or shutting down East German state-run enterprises, Wismut GmbH, the successor to the Soviet-era mining company that ran Schlema like a company town, expects the clean-up to keep as many as 3,000 people employed beyond the year 2000.

The mining here was the most intense in the world, Manfred Hagen, Wismut's technical director, said in an interview. He said it would take 10 to 15 years and 13 billion Deutsche marks (\$8.4 billion) to "begin to repair" the damage.

From 1946 until 1990, when it was shut down, the old Wismut literally moved mountains in its search for uranium. The average concentration of uranium in the local rock was less than one-tenth of 1 percent.

Unlike most major mines, which operate in unpopulated areas, Wismut ran five mines with 56 working shafts in an area inhabited by 100,000 people. Its facilities still occupy 37 square kilometers (14.8 square miles) and its dumps fill 48 hills and 14 ponds spread over two states.

"Wismut is an example of the uncontrolled exploitation of people, the landscape and the environment," said Kurt Biedenkopf, the premier of Saxony. His wife Ingrid chairs a committee to rebuild the town's famous spas.

The site of Wismut's greatest environmental impact, Schlema sits atop 50 million cubic meters of caves. Its sister village, Oberschlema, the original spa zone, disappeared when the ground suddenly sank 6 meters.

The first signs of cleanup in Schlema are admittedly cosmetic. Four forbidding mine shafts on a hill above the town's main road have been removed and replaced by walking paths. The valley's river, long since paved over, is scheduled to be restored. Konrad Barth, Schlema's mayor, is scraping together funds for a new spa house.

But the real cleanup, according to Mr. Hagen, a former state environment ministry official in Hesse, is yet to come.

Wismut has spent about 3 billion DM over the past four years just assessing the damage. The company has only just begun the slow, costly process of cleaning it up, Mr. Hagen said. Some 300 individual cleanup measures await regulatory approval, including damming and flooding tunnels, filtering waste ponds and removing radioactive rubble.

"We must clean until the danger is gone," he said, while admitting that "danger" is a relative term.

It is difficult to test for and eliminate radioactivity in an area considered naturally radio-

The positive side to the environmental damage is that new techniques and technology are being developed to clean it up.

active. Once, Mr. Hagen said, workers moved a massive dump heap only to expose a natural bed of granite that was more radioactive than the heap they had moved.

But Winfried Meyer, a local representative of Germany's federal radiation authority, said radioactivity at some Wismut dump sites was as much as five times what is considered "normal" under German law.

"If we were talking about a truckload of waste, there would be no problem, but the volumes here represent a considerable radioactive potential," he said. "What's most important is the proximity to the population."

The positive side to the region's environmental damage is that new techniques and technology are being developed to clean it up.

Wismut has developed methods to diagnose damage, filter waste ponds and seal off problem areas. Several of them are considered to be marketable.

About 400 of Wismut's best engineers have set up an environmental consulting company in the nearby town of Chemnitz.

Schlema, meanwhile, has developed a way to create artificial topsoil out of organic waste, sawdust and sewage.

"If you look around Eastern Germany you'll see a lot of things that are in urgent need of cleaning up," Mr. Hagen said of Wismut. "We hope the skills and know-how we acquire here can be put to use elsewhere."

Germany's Federal Environment Ministry estimates that the number of jobs directly or indirectly related to environmental protection will almost double by the year 2000, to 786,000 in Western Germany and 336,000 in Eastern Germany. That would mean one in every 40 jobs in the West and one in every 20 jobs in the East.

Italiano Seeks Allies In Bid for Romagnolo

Bloomberg Business News

MILAN — Credito Italiano SpA said it would announce Wednesday whether it could afford to raise its bid for Credito Romagnolo SpA in order to top an offer by a rival group of banks.

A Credito Italiano spokesman said the bank's management was "working on determining whether we have the financing and the allies to back another offer."

Cassa di Risparmio delle Province Lombarde, known as Cariplo, and two partners have offered 21,500 lire (\$13) per share for 70 percent of Credito Romagnolo's shares, for a total of 3.29 trillion lire.

Credito Italiano had offered to buy up to 65 percent of Credito Romagnolo for 20,000 lire a share, or a total of 2.8 trillion lire. The deal would create Italy's second-largest bank.

Analysts speculated Tuesday that Credito Italiano would raise its bid by offering the same price per share as Cariplo, but for a larger portion of Romagnolo's capital.

Analysts speculated that Allianz AG Holding, Europe's largest insurance company and a minority shareholder in Credito Italiano, would be a likely partner in a higher bid.

Credito Italiano's share price surged to an all-time high of 19,340 lire Tuesday on rumors that Credito Italiano would raise its offer.

Credito Italiano's shares rose 41 lire Tuesday, to 1,749 lire. Analysts said the rise reflected the markets' desire to see Credito Italiano win.

Cariplo, Italy's largest savings bank, is not publicly traded. Analysts said Credito Italiano's chances of success hinge on how a little-used Italian takeover law is interpreted by the courts governing securities trading in Italy.

The law, passed in 1992, says each competing bid must be 5 percent higher than the previous one, but it is not clear whether the law refers to the price per share or the total amount of the bid.

Cariplo's offer starts Jan. 11 and ends Feb. 3.

Investor's Europe

Frankfurt DAX	London FTSE 100 Index	Paris CAC 40
2200	3300	2200
2100	3200	2100
2000	3100	2000
1900	3000	1900
1800	2900	1800
1700	2800	1700
1600	2700	1600
1500	2600	1500
1400	2500	1400
1300	2400	1300
1200	2300	1200
1100	2200	1100
1000	2100	1000
900	2000	900
800	1900	800
700	1800	700
600	1700	600
500	1600	500
400	1500	400
300	1400	300
200	1300	200
100	1200	100
0	1100	0

Sources: Reuters, AFP

Very briefly:

- Banco Central Hispanoamericano SA, a major Spanish commercial bank, will sell its European financial services unit, CFH Leasing International, to AT&T Capital Corp.
- Belgium's annual deficit for 1994 fell to 313.1 billion Belgian francs (\$9.8 billion), or 5.3 percent of gross domestic product, down from 6.7 percent in 1993.
- France's car market grew by 14.6 percent in 1994, to 1.97 million units, as sales in the last month of the year rose 20.7 percent, to 174,842, from the year-earlier month.
- Swiss Bank Corp. said it established a capital markets unit named SBC Capital Markets Inc. in New York.
- Rwanda's government began issuing new currency notes, hoping to render useless notes that were looted from its central bank when the previous government fled.
- Siercor Corp., controlled by Siemens AG of Germany and Corning Inc. of the United States, acquired a business making components for cables from the Canadian company Northern Telecom Ltd.

Reuters, AP, Bloomberg, AP, AFP

West German Industry Slows

Bloomberg Business News

BONN — Industrial production in Western Germany fell a preliminary 0.1 percent in November from October but was up 5.5 percent from a year earlier, the Economics Ministry said Monday.

Analysts had forecast a 0.5 percent increase for November, according to a survey conducted by MMS International.

The ministry revised earlier figures to show that output rose

1 percent in October, compared with the original estimate of a 1.6 percent rise. That left output in October up 4.7 percent from a year earlier.

The ministry said the November figure was likely to be revised upward by 0.6 percentage point.

Separately, the Ifo Institute for Economic Research said the West German economy could grow at an annual rate of 2.5 percent between now and 1999.

NYSE

Tuesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High Low Stock Div Yld PE 52s High Low Last Chg % Chg

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12 Month High Low Stock Div Yld PE 52s High Low Last Chg % Chg

TRADE: Hong Kong Shares Hit

Continued from Page 9

tories in southern China suspected of wholesale piracy.

Beijing, meanwhile, is still bitter at the United States for leading opposition to its joining the oew trade organization on concessional terms and refuses to bend to Washington's demands.

Traditionally, China refuses to meet specific demands in international negotiations but still manages to find common ground without appearing to make major concessions. But in this case, analysts said, Washington's list of detailed demands leaves China with little "wiggle room" and might serve only to harden its stance.

"China is already responding," said one Hong Kong-based agent who sells American-made movies and television programs to Chinese distributors.

"Negotiations between Chinese buyers and American agents have been halted by orders from Beijing, and my Chinese contacts are calling me in a panic to find them European shows to replace the American programs," said the agent, who represents a major U.S. media concern.

Beijing's apparent refusal to accept Washington's demands is rooted in two developments in China, analysts said: the struggle to succeed the ailing senior leader Deng Xiaoping, which makes other top officials unwilling to go on record as favoring concessions to foreigners in such controversial negotiations; and Beijing's increasing difficulty in controlling state-owned enter-

prises and provincial business empires headed by other powerful political figures or families.

In Washington, however, Beijing can no longer expect the kind of political and business support that has enabled it to maintain its most-favored-nation trade status despite repeated congressional attempts to repeal it in recent years.

Although the new Republican-led Congress is unlikely to support moves to strip concessions from China over human rights concerns alone, analysts said, an unwillingness to open its markets to U.S. imports or to enforce intellectual property rights would be a serious offense in Republican eyes.

Two other facts also make it unlikely that President Bill Clinton will feel a need to ease up on China in the next few months. Beijing's trade surplus with the United States is likely to hit \$30 billion for 1994, and his resistance to China's unsuccessful bid to join the WTO as a founding member this year was one of the few of Mr. Clinton's policies that won any applause from his Republican critics.

"If the U.S. imposes punitive tariffs and China responds, there will be no winners at all, even among those companies suffering from copyright piracy," said Frank Martin of the American Chamber of Commerce in Hong Kong — who said he believed the damage the dispute could do would force both sides to reach an eventual accommodation.

CHANGE: Watching Washington

Continued from Page 9

waste sites. It died in Congress last year. There is also the long-simmering debate over whether insurers should be subject to federal, rather than state, supervision.

Insurers, even more than most other businesses, also stand to gain from the far-reaching changes proposed to increase the difficulty of suing for damages since they are frequently the "deep pocket" of last resort in product-liability cases and other similar lawsuits.

The petrochemical industry and many heavy manufacturers, while sharing the insurance industry's interest in the fate of the Superfund, also will be looking for a more sympathetic handling of various pollution control laws that in industry's view impose an unfair burden on manufacturers.

Agribusiness fears the budget act, which could finally chop away at a lot of Depression-era farm programs. Still, the industry has well-placed allies among the newly powerful Republicans, from Thomas J. Bliley Jr., a Virginia tobacco-belt loyalist

who will head the House Commerce Committee, to Lauch Faircloth, a senator from North Carolina who is a wealthy hog farmer friendly to the pork industry.

Consumer-products companies are generally optimistic about the change in leadership, especially cigarette manufacturers, which endured last year's congressional hearings on the health risks of tobacco.

The new commitment to reducing the burden of regulation also may help consumer products companies resolve troublesome conflicts between the labeling and advertising rules of the Federal Trade Commission and the Food and Drug Administration, executives said.

Broadly speaking, many business leaders are hoping that agencies like the Occupational Safety and Health Administration will be reined in by the new Congress. They may be too optimistic about that, but, at the very least, it will probably be much harder for agencies in the executive branch to impose new rules on business without a big fight in Congress.

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Herald Tribune

Continued on Page 14

ASIA/PACIFIC

Golden Handshakes For Fired Workers At China State Firms

Bloomberg Business News
BEIJING — China, blaming a surge in the number of labor disputes last year on staff cuts at bloated state companies, is awarding as much as a year's pay to public employees who lose jobs, the official China Daily reported Tuesday.

The program, which took effect with the new year, will help speed China's effort to reform its state sector, said Ray Farris, senior economist at Crosby Securities, by easing the fear of social instability that has held back its efforts so far.

Firings and disciplinary action were the main reason that labor disputes last year rose to 20,000 from 12,000 in 1993, the China Daily said, quoting a report from the Ministry of Labor. Other reasons included low wages and inadequate social insurance, it said.

The government estimates that one-fifth of the workers in its state sector are unemployed. But it wants to restrain factories from trimming jobs too quickly because it fears that tens of mil-

lions of firings would lead to serious social unrest.

The compensation plan and the rest of the labor law that took effect this year provide "a vital instrument to protect the rights and interests of both employees and employers," a Labor Ministry official, Fan Zhanjiang, was quoted as saying.

The regulations entitle dismissed workers who had held their jobs for a year to receive a month's salary, with compensation rising according to length of service to a maximum of a year's pay, the paper said.

The law provides fines for companies that fail to comply, but squeezing compensation out of some of them will not be easy, analysts said.

"Even now, most disputes happen because companies tell their workers, 'We don't have money to pay you; how can we pay you?'" said Trin Leung, research consultant at the Hong Kong Confederation of Trade Unions. She said the 20,000 labor disputes in the report were the tip of the iceberg.

Go Forth and Diversify Monopoly No Longer the Game in China

Reuters
BEIJING — Cerrois Plaza, a massive office and shopping complex scheduled for completion later this year, has all the requirements for a good real estate investment: location, location and location.

Sitting squarely in the main street of Beijing — a city starved for office space — the building is a five-minute drive from the capital's main city-center attraction, Tiananmen Square, and it is close to the residential area favored by foreigners, its intended clientele.

So far, the response from potential tenants has been encouraging. "We only started to advertise in the last few weeks, and response has been excellent," said Brian Siu, general manager of C.Y. Leung, sole leasing agent for Cerrois Plaza.

Cerrois Plaza may represent the new face of state industry in China, where the government has been encouraging monopolies such as Cerrois to diversify into nonmonopoly businesses.

Cerrois, which stands for China National Cereals Oil & Foodstuffs Import & Export Corp., was set up in the 1950s by the communist government as a monopoly for the import and export of grain. The company owns a majority share in Cerrois Plaza along with its Hong Kong subsidiary, Top Glory Group, while the Kerry Group, also of Hong Kong, holds a minority stake.

Cerrois also holds interests in palm oil plantations in Malaysia and Indonesia; hotels and edible oil processing plants in China, and real estate in the United States.

"The aim is diversification, moving overseas and setting up a group," said Pang Xuzhu, deputy general manager of Cerrois Plaza.

One foreign trader said diversification is important to Cerrois and other state monop-

lies because of the risk that China will begin breaking up the state monopolies this year in an effort to open up its internal market.

Market liberalization was an obstacle to China's joining the World Trade Organization, the successor to the General Agreement on Tariffs and Trade, at the end of last year.

The trader said Cerrois, which has profited hugely from its grain monopoly over the last four decades, continues to control trade in corn, rice and wheat, even though its grip is not as tight as it once was.

"Even when another Chinese entity does the negotiation and agrees on the price and terms," he said, "Cerrois often has to do the paperwork and collect its commission."

Cerrois Plaza comes on the market at a time when office and commercial space are at a premium in Beijing. The occupancy rate for premium office space is 99 percent, and rents have risen by 50 percent since 1994.

Office space is so scarce that some companies use hotel rooms as offices, and some hotels have converted their coffee shops into makeshift office space.

Industry analysts expect Beijing's commercial floor-space shortage to continue until 1997, when a flood of new space is expected to come on the market and drive prices down.

Mr. Siu said he expected Cerrois Plaza to be fully leased by the time it is completed, at current prices of \$60 to \$90 per square meter (\$646 to \$969 per square foot) for offices, and \$50 to \$170 per square meter for retail space.

Slow Start For Jardine At New Site

Bloomberg Business News
SINGAPORE — Jardine Matheson Holdings Ltd. made a quiet debut on the Singapore stock exchange Tuesday after a historic departure from the Hong Kong market last week.

The stock, which now trades in U.S. dollars, closed at \$7.00 on trading of 120,800 shares, compared with a close of \$5.25 Hong Kong dollars (\$7.14) on \$12,300 shares Friday.

The trading company's investment holdings unit, Jardine Strategic Holdings Ltd., closed at \$3.34 on volume of 389,500 shares, up slightly from its Hong Kong close of 25.40 (\$3.28) on 334,800 shares.

Jardine's decision to move the trading base for its shares to Singapore before Hong Kong reverts to Chinese control in 1997 was a boost to Singapore's goal of becoming a regional financial center. Many in Singapore's financial community, however, wonder whether there will be enough interest in, or awareness of, Jardine shares to create a real market for the stock.

"I think it's unlikely we will see significant turnover in Jardine," said Richard Armstrong, managing director of Barclays de Zoete Wedd in Singapore.

The light trading in Jardine Matheson had been expected because "the people who wanted to sell their shares would have sold before they moved them down to Singapore," Neil McNamara, company secretary, said.

Investor's Asia				
Hong Kong Hang Seng	Singapore Straits Times	Tokyo Nikkei 225		
11800	2400	22000		
10000	2200	20000		
9000	2000	18000		
8000	1800	16000		
7000	1600	14000		
6000	1400	12000		
5000	1200	10000		
4000	1000	8000		
3000	800	6000		
2000	600	4000		
1000	400	2000		
0	200	0		
Exchange	Index	Tuesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	7,844.14	8,191.04	-4.24
Singapore	Straits Times	2,246.25	2,239.56	+0.30
Sydney	All Ordinaries	1,904.90	1,912.70	-0.41
Tokyo	Nikkei 225	Closed	19,723.06	
Kuala Lumpur	Composite	968.70	971.21	-0.16
Bangkok	SET	1,354.05	1,360.09	-0.44
Seoul	Composite Stock	1,013.57	1,027.39	-1.35
Taipei	Weighted Price	Closed	7,124.66	
Manila	PSE	2,805.28	2,768.21	+0.25
Jakarta	Stock Index	472.38	470.14	+0.48
New Zealand	NZSE-40	Closed	1,914.24	
Bombay	National Index	1,857.17	1,850.77	-0.19

Sources: Reuters, AFP International Herald Tribune

Very briefly:

- Acer Inc. of Taiwan said it planned a joint venture with Wipro Infotech Ltd. of India to sell computers and develop software.
- Britain called on Malaysia to relax banking and insurance rules so more British companies could enter its market, but Malaysia said foreign companies already had a large presence.
- South Korea's trade deficit widened to \$6.06 billion in 1994 from \$1.56 billion on surging capital-goods and consumer imports.
- Daewoo Corp. said it began work on a vehicle-assembly plant near Hanoi, part of a planned \$1 billion of investment in Vietnam.
- Vietnam Television has begun satellite broadcasts across Asia, and its international radio station has expanded its coverage to North America via a transmitter in Russia.
- China-Taiwan indirect trade totaled an estimated \$15 billion last year, the China Daily said.

AFP, Bloomberg, AP

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3	E.P. N°100 Santa Catalina	Santa Fe	6	1,434,880.71
4	E.P. N°104 B. San de Mendo	Santa Fe	6	808,255.02
5	E.P. N°104 B. San de Mendo	Santa Fe	6	808,255.02
6	E.M. N°300 C.C. Vag. E.P. N°101 R. de Bolivia	Rosario	10	798,112.25
7	E.P. N°101 R. de Bolivia	Rosario	5	521,060.70
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SPORTS

Penn State Gathers Roses But Not the National Title

By Tom Friend

PASADENA, California — Penn State won its primary, but not the campaign.

The Oregon Ducks were the Nittany Lions' equal for nearly three quarters in the Rose Bowl and by the time Penn State passed them in the express lane, the damage was done, even though the final score Monday was 38-20.

If not for Oregon's erratic place-kicking and kick coverage, the Nittany Lions might even have finished at 11-1. Instead, both Penn State and Nebraska finished undefeated, and the voters in The Associated Press poll gave the Cornhuskers the national college football title by a wide margin.

Oregon was a gnat constantly in the face of Penn State, its quarterback, Danny O'Neil, set Rose Bowl records for yards, completions and passes as he humbled the more acclaimed starter from Penn State, Kerry Collins.

The difference was a running back named Ki-Jana Carter, plus two of the test-heralded Nittany Lions, three missed field goals by Oregon and a breakdown in the Ducks' special teams.

Collins, billed as the finest quarterback that Penn State's coach, Joe Paterno, ever had, nearly gift-wrapped the game to Oregon. With his team ahead by 14-7, a simple out pass landed in enemy hands, and line-backer Reggie Jordan returned

it 39 yards to the Penn State 17. Two plays later, O'Neil's lob to Crislin McLemore, who out-leaped free safety Chuck Penzenik, made the score 14 all with 5:35 left in the third quarter.

No one had heard much of Ambrose Fletcher, either, but he fielded the ensuing kickoff and ran 72 yards to the Oregon 21. Two plays later, on a draw play up the middle, Carter, who had 21 rushes for 154 yards, stopped running hard halfway to the end zone and put Penn State ahead, 21-14.

O'Neil, on his way to a record-setting 456-yard passing day on 41 of 60, then suddenly turned human. His lob over the middle was intercepted by Penzenik, a sixth string free safety. His 44-yard return set up Carter's third touchdown, a 3-yard run that made it 28-14 with 2:01 left in the third.

A late, fourth-quarter field goal and touchdown padded the Penn State lead, helping Paterno become the first college coach to win the Rose, Sugar, Cotton and Orange Bowls in his career.

The first play from scrimmage was an 83-yard touchdown dash by Carter, and the cherry on top was this: He bowled over Oregon's best defender, cornerback Hermao O'Berry.

Penn State may have gained 83 yards on that play, but it took the Lions 23 plays to gain their next 83 yards. They fumbled twice — on one the referee blew the ball dead and on one they did not — and they chased an eccentric Oregon tight end in vain.

Immediately after Carter's score, the Ducks followed their tattooed tight end, Josh Wilcox, straight downfield. Wilcox, who had "Rose Bowl '95" branded on his left arm in dark ink, caught passes of 18 and 33 yards, and soon had his team on Penn State's one-inch line.

O'Neil tossed him the ball on first-and-goal, and the game was tied.

By half's end, Wilcox had seven receptions — not bad for someone who was playing with a minor concussion.

National Title Is Harvested By Nebraska

The Associated Press

It wasn't even close. Nebraska's Cornhuskers ran away with the national championship Tuesday, easily outpointing No. 2 Penn State in The Associated Press poll.

Although both teams were undefeated, voters clearly preferred Nebraska after the Cornhuskers defeated Miami, 24-17, in the Orange Bowl, and Penn State downed Oregon, 38-20, in the Rose Bowl.

The Cornhuskers (13-0) received 51½ first-place votes and 1,539½ points, while Penn State (12-0) got 10½ firsts and 1,497½ points.

It is the first national title for Nebraska's coach, Tom Osborne, and the first championship for the Cornhuskers since they won consecutive crowns under Bob Devaney in 1970-71.

Nebraska also finished first in the CNN-USA Today coaches' poll, topping Penn State, 54-8, in first-place votes.

Penn State's Joe Paterno now has the dubious distinction of coaching four undefeated teams that didn't win the national championship. It also happened in 1968, 1969 and 1973.

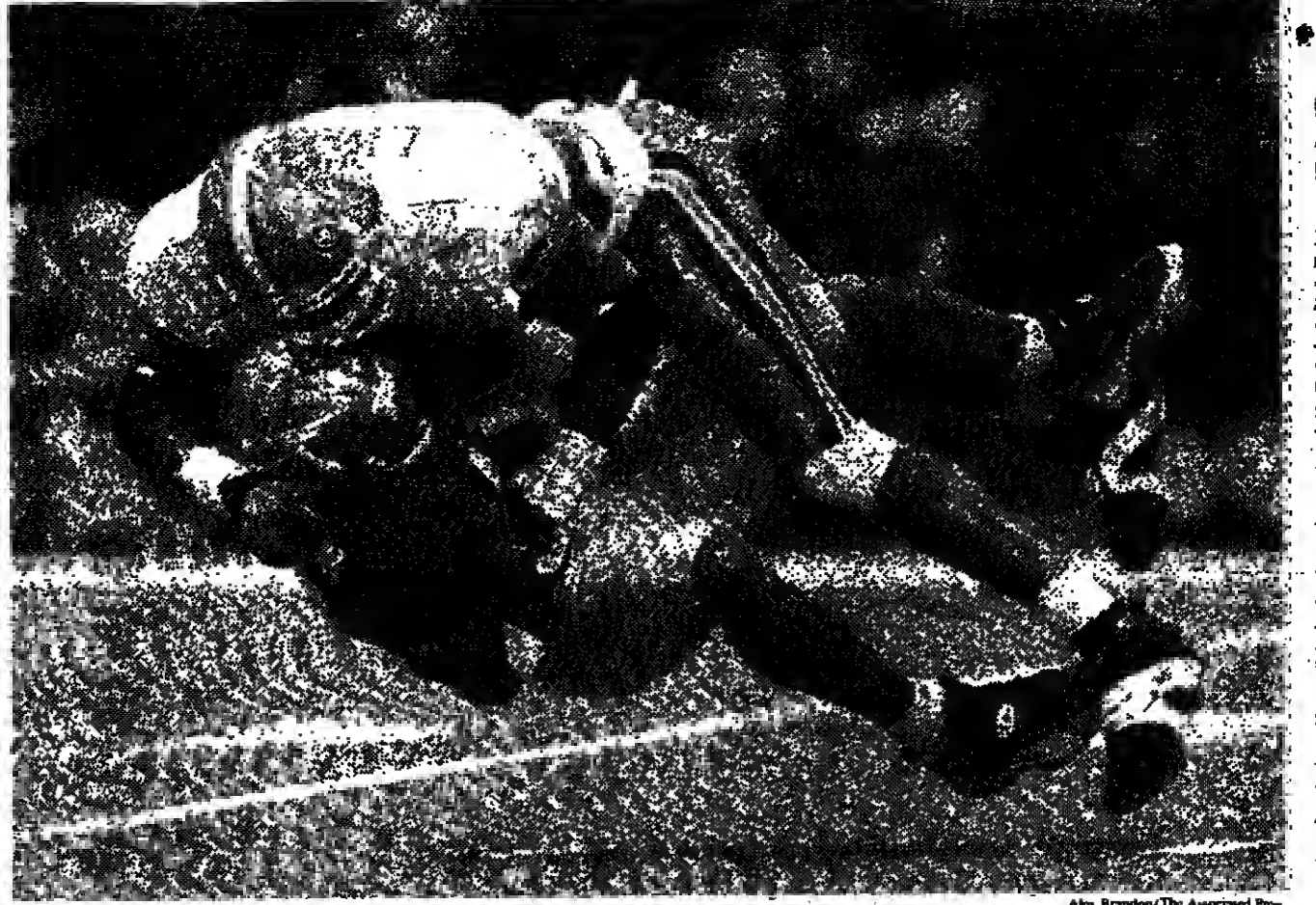
Both coaches have said they prefer a playoff over the polls. But after the Rose Bowl, Paterno said his team deserved a share of the title.

"I don't want to take anything from Tom Osborne, who's a good friend of mine," Paterno said. "The way they played last night, I certainly don't think that I would say, 'Hey, they're national champions and we're out.' Because we deserve it as much as they do."

Osborne said it was a shame that Nebraska didn't get to play Penn State.

"People in college football ought to be smart enough to get the No. 1 and No. 2 teams together," he said.

Although Osborne has the best winning percentage of any active coach, the national championship eluded him for his first 21 seasons. He twice brought undefeated teams to the Orange Bowl and lost, to Miami in 1984 and Florida State last year.



Florida safety Lawrence Wright flattened State's E.G. Green as the teams passed for 774 yards in the Sugar Bowl.

Seminoles Top Gators in Record Effort

The Associated Press

Florida State won an NCAA-record 10th consecutive bowl game with a 23-10 victory over Florida at the Sugar Bowl in New Orleans.

The seventh-ranked Seminoles (10-1-1) beat their fifth-ranked archrivals with a ball-control offense and stingy defense that held the high-scoring Gators (10-2-1) to a season-low point total.

Danny Kanell was 23-for-40 for Florida State as the teams passed for 774 yards. Warrik Dunn accounted for 182 yards, rushing for 58, catching nine passes for 51 and throwing a 73-yard scoring pass to Omar Ellison.

No. 4 Colorado 41, Notre Dame 24: At the Fiesta Bowl in Tempe, Arizona, Bill McCartney's final game as Colorado coach ended the way his nation-

al title season of 1990 did — with a victory over the Irish. Kordell Stewart and Heisman Trophy-winner Rashaan Salaam accounted for four touchdowns. McCartney leaves

BOWL ROUNDUP

as the winningest coach in Colorado history (93-55-5). Assistant Rick Neuheisel succeeds him.

Stewart had two touchdowns and Salaam had two 1-yard scores as the Buffaloes (11-1) scored on five of their first six possessions for a 31-3 lead late in the first half.

No. 6 Alabama 24, No. 13 Ohio State 17: At the Citrus Bowl in Orlando, Florida, Sherman Williams turned a short pass into a 50-yard touchdown for Alabama (12-1) with 42 seconds left. He became the first Alabama player to get more than

100 yards rushing and receiving in a bowl game, gaining 166 yards on 27 carries and catching eight passes for 155 yards.

Ohio State finished 9-4 as coach John Cooper's bowl mark with the Buckeyes fell to 1-5. No. 21 Southern Cal 53, Texas Tech 14: In Dallas, the Trojans (8-3-1) scored their first three touchdowns in a 76-second span of the first quarter of their first Cotton Bowl. USC rolled up a 48-0 lead over Texas Tech (6-6), making the Red Raiders the seventh straight SWC team to lose the Cotton Bowl. Starting next year, the matchups will be determined by the bowl coalition.

Rob Johnson threw three touchdown passes and Keyshawn Johnson caught three, one an 86-yarder from backup Brad Otton. Rob Johnson completed 16 of 21 passes for 289

yards and left after the first series of the second half — 3 yards short of the Cotton Bowl record.

Keyshawn Johnson caught eight passes for a Cotton Bowl record 222 yards. It was the second-largest victory margin in the Cotton Bowl behind Miami's 46-3 win over Texas in 1991.

Wisconsin 34, No. 25 Duke 20: In Tampa, Florida, Terrell Fletcher set Hall of Fame Bowl records with 39 carries for 241 yards and scored on runs of 1 and 49 yards.

The Badgers (7-4-1), after blowing a 13-0 first-half lead, took control with three second-half touchdowns to hand the No. 25 Blue Devils (8-4) their fourth loss in the final five games after a school-record 7-0 start.

Duke's Spencer Fischer was 28 of 46 for 314 yards with four interceptions.

South Carolina 24, West Virginia 21: At the Carquest Bowl in Miami, Steve Tanehill passed for one touchdown and ran for another as South Carolina (7-5) won its first bowl game in nine attempts.

Tanehill completed 26 of 36 passes for 227 yards, with a 2-yard touchdown pass to tight end Boomer Foster. He also had a 4-yard touchdown run, and Stanley Pritchett added a 1-yard score with 2:40 left in the third quarter for the Gamecocks' final points.

West Virginia (7-6), which got 132 yards and a 24-yard touchdown run from Robert Walker, lost its fifth straight bowl game.



Rashaan Salaam scored twice as Colorado won.

Heisman Winner Picks NFL

The Associated Press

TEMPE, Arizona — Rashaan Salaam, Colorado's Heisman Trophy-winning junior tailback, announced after the 41-24 victory over Notre Dame in the Fiesta Bowl that he will forego his senior season to turn pro.

Salaam, who tried to defuse speculation about his future by announcing he would make an announcement on Jan. 6 and not before, broke the news moments after the game.

He said Bill McCartney's resignation as coach was a factor, as well as the likely departure of at least three assistant coaches, and that he reached the decision to leave school after consulting with his mother.

"There are a lot of things going on at CU," Salaam said. "A lot of coaches are bouncing around, and there's not a lot of stability going on. That was the basis why I decided to come to CU, and I signed a 4-year deal. But, like Kordell — Stewart, a senior quarterback — 'was saying, 'I'm leaving with coach Mac.'"

Bears Surprise Not Only Vikings, but Cowboys, by Winning

By Timothy W. Smith

New York Times Service

NEW YORK — The Dallas Cowboys' coaches saw 60 percent of their work from last week go up in smoke after Chicago beat Minnesota.

Because the Cowboys were less familiar with the Vikings than with Green Bay, and because they expected Minnesota to beat the Bears, the coaches spent more than half their time preparing for the Vikings. They spent the least amount of time on the Packers, whom they beat, 42-31 on Thanksgiving Day.

The two teams have changed quite a bit from that game five weeks ago. The Packers are without receiver Sterling Sharpe, who caught four touchdowns

passes in that game. Emmitt Smith, who rushed for two touchdowns and 133 yards against the Packers in that game, has a sore hamstring.

In the mind of the Green Bay safety LeRoy Butler, the Packers, winners of their last four games, are hotter than the

NFL NOTES

Cowboys, who lost two of their last three. Butler thinks the Packers are hot enough to roll right into the Super Bowl. "Nobody gives us a chance," he said. "But the best team never wins, not in the Super Bowl. It's always the hottest team, and I figure we're hot right now."

• Don Capers, the Pittsburgh Steelers' defensive coordinator, has already agreed to accept the coaching job with the Carolina Panthers once Pittsburgh's season is finished, according to a report in The Pittsburgh Post-Gazette.

Capers and the Panthers aren't confirming or denying that report. But if it's true, the Steelers and the Panthers could be in hot water with the NFL for possible violations of the league's policies regarding tampering.

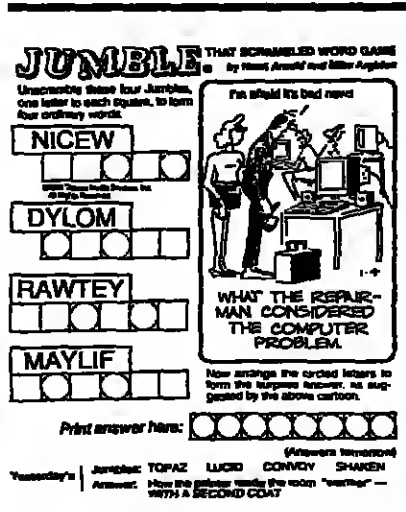
Commissioner Paul Tagliabue will meet with Richardson in New York City this week to review reports that said Capers met with representatives from the Panthers in Pittsburgh last week. If Tagliabue believes the Carolina owner, Jerry Richardson, violated the league's

tampering rules, the team could be fined \$100,000 or more and have to forfeit draft picks.

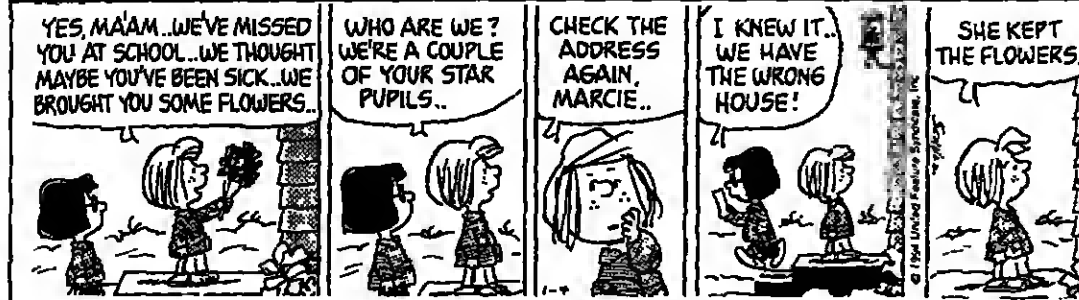
The NFL strengthened its policies against tampering last year after Norv Turner, then Dallas' offensive coordinator, interviewed with the Washington Redskins and accepted a job while the Cowboys were still in the playoffs.

Some NFL teams that have coaching vacancies and some NFL assistant coaches who are coaching candidates and whose teams are still in the playoffs have privately grumbled about how the Panthers have skirted the anti-tampering rules in going after Capers, while they have followed the rules and are getting shut out.

DENNIS THE MENACE



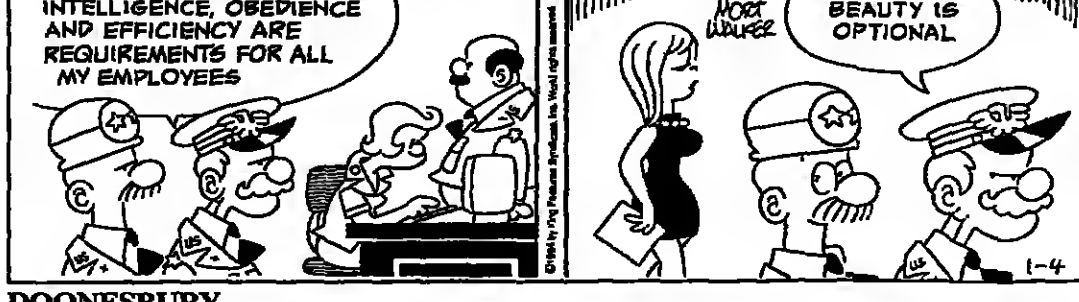
PEANUTS



GARFIELD



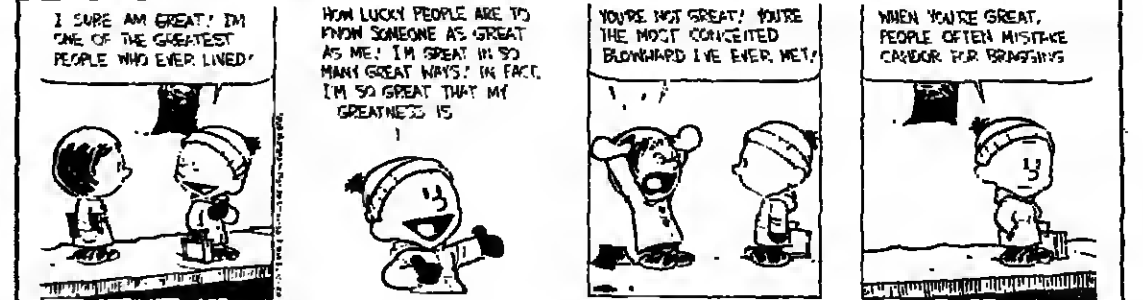
BEETLE BAILEY



DOONESBURY



CALVIN AND HOBBES



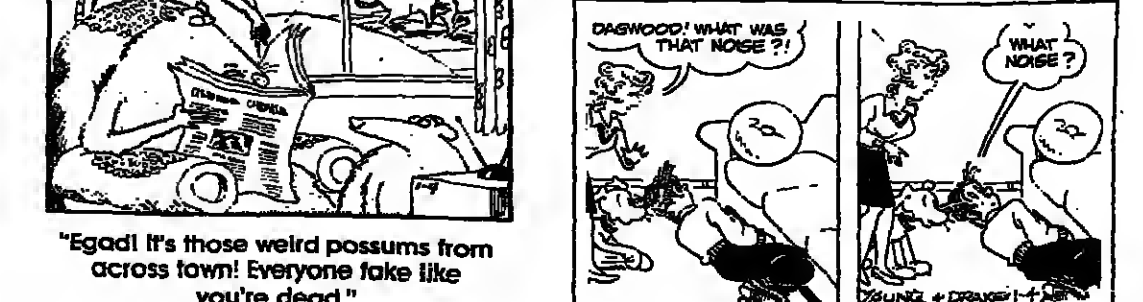
WIZARD of ID



THE FAR SIDE



BLONDIE



هكذا من الاصل

SPORTS

German Boxer
Schulz Lands
Foreman Bout

THE ASSOCIATED PRESS
DUSSELDORF — Axel Schulz of Germany will fight George Foreman for the World Boxing Association and International Boxing Federation heavyweight titles at the Louisiana Superdome in New Orleans on April 22, promoter Jean-Marcel Nartz has announced.

The contract signing will take place in New York on Jan. 17, Nartz, a deputy of the Swiss businessman-promoter Wilfried Sauerland, said Monday night.

Schulz, who, Nartz said, would earn \$500,000 for the fight, would join Max Schmeling and Karl Mildenberger as the only Germans to fight for the title.

Foreman, who turns 46 on Jan. 10, is expected to earn as much as \$15 million for a title defense.

Sauerland said in an interview in Tuesday's Bild Zeitung that he contacted the U.S. promoter Bob Arum offering a bout with Schulz soon after Foreman won the titles with a 10th-round knockout of Michael Moorer on Nov. 5.

"It is a wonderful chance for me to go in the footsteps of Max Schmeling or a Karl Mildenberger," Schulz said from his camp in Frankfurt am der Oder.

Schulz, 26, improved to 21-1 with a 10-round decision over former WBA champion James (Bonecrusher) Smith on Sept. 17.

Foreman and Louisiana's governor, Edwin Edwards, announced tentative plans Dec. 9 for a fight at the Superdome. At that time, Arum named Schulz, Brian Nielsen, Lou Savarese, Alex Garcia and Joe Hipp as possible contenders.

Williams Opts for Coulthard, Putting Mansell's Future in Doubt

THE ASSOCIATED PRESS
DIDCOT, England — The Williams Formula One team named David Coulthard as its No. 2 driver Tuesday, placing in doubt the racing future of former world champion Nigel Mansell.

Williams's decision favored youth over experience. Coulthard, 23, is seen as one of the sport's brightest prospects, while Mansell, who has won both the Formula One and Indy-car racing titles, is 41 years old.

"I am very happy we have now finalized our agreement with David," said the team director, Frank Williams. "He has proved his worth as a Grand Prix driver and I have no

doubts he has a successful future ahead of him."

Damon Hill, runner-up to Michael Schumacher for last season's Formula One title, has already signed as Williams's No. 1 driver for 1995.

Coulthard, promoted to the Williams's second spot last season after the death of Ayrton Senna at the San Marino Grand Prix, finished eighth in the drivers' championship standings with 16 points despite competing in only half the races. His best finish was a second, behind Hill, at the Portuguese Grand Prix.

Despite his successes, Coulthard

was forced to give up his seat when Mansell returned from the Indy-car circuit for the French Grand Prix and again for the final three races of the season.

Unsure of his future, Coulthard then signed a deal to drive for McLaren in 1995. Williams, claiming it still had Coulthard under contract, contested the signing and took the matter to the sport's Contract Recognition Board. The board ruled in Williams's favor on Dec. 14.

According to reports in British newspapers, Coulthard signed a one-year contract with Williams shortly before Christmas for £500,000 (\$775,000), a fraction of

the fee that Mansell would expect.

"I am delighted to have reached a fair agreement to race for Williams Renault," Coulthard said. "I look forward to the hard work of the winter testing program and the challenge of my first full Formula One season."

Mansell won the world championship with Williams in 1992, but his relationship with the team deteriorated and he made the jump across the Atlantic the following year. He won the Indy-car PPG championship with the Newman-Haas team, and, for a few weeks, became the first driver to hold both major titles at the same time.

In 1994, however, Mansell was unable to win an Indy-car race, and he took up Williams's multi-million pound offer for a limited return to Formula One. Though he struggled initially, Mansell won the final race of the season, the Australian Grand Prix.

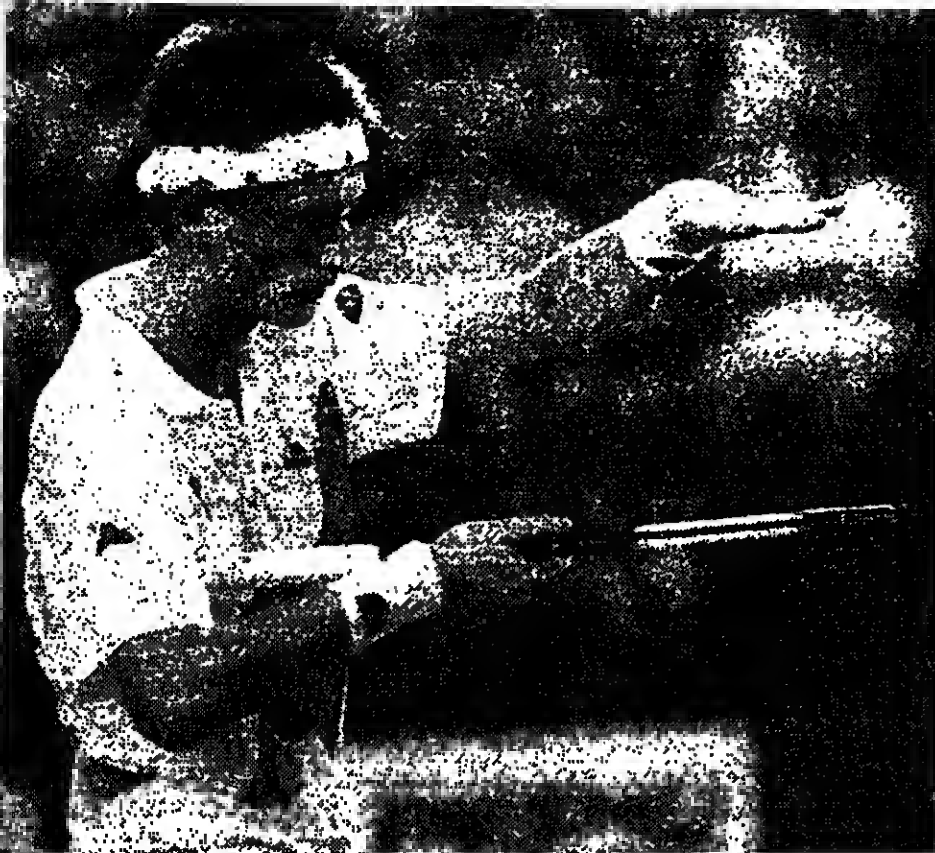
Williams's decision leaves Mansell with an uncertain future. He has said he is not ready to retire and has also ruled out a return to Indy-cars. The Formula One teams of Ferrari, for whom Mansell drove for two years, and Benetton have both said they have no place for him.

That would leave McLaren, with whom Mansell has no past connec-

tions, as the only major team with an opening. With Coulthard ruled out, McLaren has yet to announce a partner for Finnish driver Mika Hakkinen.

But the head of McLaren, Ron Dennis, has often commented that he found Mansell difficult to understand.

"I am pleased that the Williams team has made a decision regarding its driver lineup for 1995 and delighted for David that he has been given this fantastic opportunity," Mansell said in a statement released through his press agent. "With regard to my future, it is too early to comment further at this time."



ARISING—Petr Korda, disputing a fine call, beat Australia's Pat Cash, 2-6, 6-3, 7-6 (7-3), on Tuesday to put the Czech Republic into the Hopman Cup semifinals in Perth. Andrei Medvedev and his sister, Natalia, upset the United States, 2-1.

NHL Talks Back in Payroll Tax Rut

Compiled by Our Staff From Dispatches

CHICAGO — Negotiations aimed at saving what remains of the National Hockey League season have hit another bump, with league representatives saying they will drop their insistence on a payroll tax only if the players accept more restrictions on free agency than had been agreed upon in principle during earlier talks.

Sources familiar with the discussions held Sunday and Monday offered little hope of a resolution in time for the season to start Jan. 16, the date specified by Commissioner Gary Bettman as the latest start for a 50-game schedule. A deal would have to be made by the end of this week to allow for a brief training camp.

Further talks were scheduled Tuesday between NHL senior vice presidents Brian Burke and Jeff Pash and union attorneys John McCambridge and Bob Riley, after they had met late on Monday night. However, no negotiations involving Bettman and Bob Goodenow, the NHLPA's executive director, have been arranged.

According to the suggestion offered by Burke and Pash,

players would not be eligible for free agency until age 32, and the clubs that sign them would be required to compensate the players' former clubs. In previous discussions, the league and the players' association neared an accord that players would become unrestricted free agents at 31 for the first three years of the agreement, and at 30 for the next two years.

Burke and Pash also stipulated that if those restrictions —

and others already accepted by the NHLPA — did not have the desired effect of curbing salary growth after two years, the league would then have the right to impose a tax to inhibit salary escalation.

However, sources told the Toronto Sun that league negotiators offered to raise the trigger point for the tax beyond \$18 million from \$14.2 million and lower the rate, pegged at 25 percent in their last proposal.

"The league knows if there's a tax, it's probably over," the newspaper quoted an unidentified general manager as saying. "But the players better be prepared to give up a lot more in the other areas or there won't be a season, either."

"It's discouraging," a source allied with the union said. "What they put out there was worse than before. It was regurgitation, with a backward spin to it." (LAT, AP)

Grobelaar Probe to Take Longer, Police Say

Compiled by Our Staff From Dispatches

LONDON — The investigation into match-fixing allegations made against Southampton goalkeeper Bruce Grobelaar is expected to last for at least another month, police said Tuesday.

"It is a very painstaking inquiry with the detectives trying to build up an accurate picture to see if any criminality has occurred," said a spokesman for Hampshire police, who are conducting the investigation. "The detective in charge doesn't want

to be pushed by outside forces."

The English Football Association has charged Grobelaar with taking bribes to fix matches, but is not expected to take any further action until the police investigation is complete.

Diego Maradona, banned for 15 months after failing a drug test at the World Cup, told the weekly magazine France Football that, at 34, he will confine himself to managing. France Football, which awards the prestigious Golden Ball each December to the Eu-

ropean Player of the Year, decided to give a special Golden Ball to Maradona in recognition of his contribution to the game over the past 18 years.

In an interview, Maradona also attacked FIFA's general secretary, Sepp Blatter, and its president, Joao Havelange, for suspending him after the test.

"When I hear Blatter and Havelange, these men who think themselves so important, I just want to laugh," he said. "For me, they don't exist." (AP, Reuters)

SCOREBOARD

FOOTBALL

The AP Final Top 25

The Top Twenty Five teams in The Associated Press final college football poll, with first-place votes in parentheses, were released today based on 25 selections for each vote. Teams are ranked by a 25-point vote, and ranking in the previous poll is shown in parentheses.

Rank	Team	Points	Previous Rank
1	Nebraska (51-1)	13-0	1
2	Penn St. (10-2)	12-0	2
3	Colorado	11-1	3
4	Florida St.	10-1	4
5	Alabama	10-0	5
6	Miami	10-0	6
7	Florida	10-0	7
8	Texas A&M	9-1	8
9	Auburn	9-1	9
10	Utah	9-0	10
11	Oregon	8-4	11
12	Michigan	8-4	12
13	Southwest Cal	8-3	13
14	Ohio St.	8-2	14
15	Virginia	8-2	15
16	Colorado St.	8-2	16
17	Ill. Carolina St.	8-2	17
18	Brigham Young	8-2	18
19	Kansas St.	8-2	19
20	Arizona	8-2	20
21	Washington St.	8-2	21
22	Tennessee	8-2	22
23	Dallas College	8-2	23
24	Mississippi St.	8-2	24
25	Texas	8-2	25

Others receiving votes: Virginia Tech 7, North Carolina 6, Wisconsin 5, Illinois 4, Washington 4, Duke 3, Syracuse 2, Air Force 2, South Carolina 2.

BASKETBALL

Major College Scores

Team	Score	Team	Score
Seton Hall 72, Miami 54		St. Joseph's 83, Loyola 70	
St. Joseph's 83, Loyola 70		Vermont 82, Dartmouth 70	
Alabama 86, Conn. 60		Connecticut 87, St. 39	

CROSSWORD

ACROSS

- 1 Altar robes
- 4 Wake Me Up Before You Go-Go group
- 8 Basic ball game
- 14 City cry
- 15 New York college
- 16 Council Bluffs neighbor

DOWN

- 1 Latin 101 verb
- 2 Actress Olin
- 3 Bygone airline
- 4 Helical
- 17 Silly author?
- 18 Like church music
- 19 "Diet"
- 20 "Help!"
- 21 Traditional Easter fare
- 22 Xenia's state
- 23 Not for the faint of heart
- 24 Senior's nest egg, for short
- 25 Ruined
- 26 Black cuckoo
- 27 Tennis score
- 28 Genetically
- 29 "Phooey!"
- 30 Kaiser or Parker House

SOLUTION TO PUZZLE OF JAN. 3

ARGON	ROAMS	BYD
SOUSA	AFLAT	LEE
TRISTOPATE	INA	
RED HELP	BAINED	
OREMELMS	MAIRE	
ANGERED	DAY	
APRO	SRAB	ATE
LITTLEMANATE		
PTR	ALTI	ACES
REST	BETTERS	
AMOT	SHAY	OOB
MARMOT	PEA	RAG
ETA	ROLLERSKATE	
RET	GAYER	HIRE
SIE	IDEAS	EXERT

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SIDELINES

Canada Wins Junior Hockey Title

RED DEER, Alberta (AP) — Eric Daze scored three goals as Canada overcame a shaky start to outlast Russia, 8-5, and win the World Junior Ice Hockey Championship.

The victory gave Canada a 6-0-0 record and 12 points, which combined with Sweden's 3-3 tie with Finland, was three more than Sweden with one game remaining.

British Bookmakers Favor 49ers

LONDON (AP) — The San Francisco 49ers are the British bookmakers' pick to win Super Bowl XXIX.

The 49ers are 4-5 favorites, according to the bookmaker Ladbrokes. Dallas is at 11-4, followed by Pittsburgh (7-1), San Diego and Miami (both 14-1), Cleveland (16-1), Green Bay (25-1) and Chicago (40-1).

For the Record

Sandra Völker of Germany set a world mark of 27.86 seconds in the 50-meter women's backstroke at the World Cup short-course competition in Hong Kong; she broke the mark of 27.93, set by Angel Martino of the United States in 1993.

Quotable

Heavyweight champion George Foreman, asked what he would like his sons to become: "I would prefer that they become managers. That way, if they win, lose or draw they get paid."

TRANSITIONS

BASEBALL — St. Louis Cardinals' pitcher, to a minor league contract.

BASKETBALL

NATIONAL BASKETBALL ASSOCIATION — St. Louis Cardinals' pitcher, to a minor league contract.

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NATIONAL FOOTBALL LEAGUE — St. Louis Cardinals' pitcher, to a minor league contract.

COLLEGE

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FOOTBALL

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POSTCARD

The Imaginary Society

By Ferdinand Protzman

ST. AUGUSTIN, Germany — One way to conceive of the Société Imaginaire is as a dream state, a kind of international, intellectual Oz, with a movable Emerald City, and a wizard born in Hungary, seasoned in Argentina and residing in upstate New York.

Then again, there are many ways to envision an organization that, as its name suggests, is mainly of the mind, with no institutional structure, permanent headquarters or rules of order.

Despite its ethereal nature, the society, founded in 1984 by a painter calling himself Batuz, has become a flourishing cultural phenomenon on three continents. Its activities — like the Correspondence Project, which brings together writers from different countries and then compiles, catalogues and archives the correspondence that later develops between them — are attracting media attention and support from governments, universities and individuals around the world.

The group's 500 members are a Who's Who of writers, artists, scholars and politicians from Europe, South America and the United States. They include the American poet Mark Strand; Julio María Sanguinetti, the newly elected president of Uruguay; Mexico's Nobel Prize-winning writer, Octavio Paz; and Stanislaw Baranczak, a leading Polish poet and a professor of literature at Harvard University.

Binding the unabashedly elitist membership is the shared belief that in an era of global pop culture and mass media driven by near-instant transmission of information, genuine communication between individuals is dwindling.

Its founder, Batuz, a 61-year-old Hungarian-born painter whose name was originally

N. M. D. Mahr-Batuz, set out to create an international community of the spirit, where national cultural barriers would be broken down by face-to-face meetings, correspondence and conversation.

The idea was born from Batuz's personal experience and study of history. "Writers like Flaubert and Turgenev read each other's works, but also corresponded and visited each other," he said. "On a cultural and intellectual level, the world was a smaller community than it is today. Now hardly any American writers know their counterparts in Latin America or Eastern Europe or vice versa. It is a shame, really."

Batuz, whose works can be found in museums around the world, fled Hungary with his family in 1944 as the battle lines of World War II approached, settling in Argentina five years later. He moved to Walton, New York, in 1973 and lives there when not traveling on business involving the society.

For the last decade, he has roamed the world promoting his group. Much of his time is spent in Germany, where a foundation was established in 1986 to support the society.

Although the society has an office in Nossen, Germany, near Dresden, its meetings, lasting from a few days to a week, have been held in a variety of places including Washington, Budmerice in Slovakia, Berlin and Buenos Aires.

Defining the society remains a murky business to some members. They seem to prefer it that way. "It is whatever we make it, whatever we put into it," said Strand, a former poet laureate of the United States. He will attend a luncheon in this small town near Bonn for the recent opening of an exhibition about the society at the Konrad Adenauer Stiftung.

Apartheid Is History, but Evita Is Holding Her Own

By Paul Taylor

Washington Post Service

BNELSON MANDELA appears on television here this week as the subject of a profile, his fawning interviewer will be a South African institution. Evita Bezuidenhout.

For the uninitiated, a couple of things about Evita bear explaining. First, she isn't really fawning. And second, she isn't really a she.

Evita is the creation of South Africa's leading political satirist, Pieter-Dirk Uys. He started in theater as a playwright, but in the bad old

minister of bousing. And on Friday, she'll gaze softly into the eyes of Mandela — the man for whom she once petitioned (unsuccessfully) to perform in prison.

By design, there's no bite in these shows. Uys treats them as a public service, a voyage of discovery, a way of introducing South Africans to leaders who spent most of their lives in jail or exile. When will these stalwarts of the struggle become fair game? Sooner, apparently, than Uys planned. In spite of her self-imposed moratorium, Evita has already begun poking fun at the new government.

"I wasn't sure I was in the right place" went her opening line to the delegates at the ANC conference, "but when I saw all the Mercedes parked outside, I knew I'd found it."

The reaction from the ANC audience was a bit tentative. Many in the audience looked left, looked right and checked the pulse of their comrades before risking a smile at one of Uys's skits.

"As far as I'm concerned, this is their audition as well as mine," Uys said. "They have the power to laugh at me or to lock me up."

In his show, Uys arrives as Evita, resplendent in a South African flag, then transforms himself before his audience's bedazzled eyes into two dozen other characters. A gifted mimic and clever writer, he spans the globe from Clinton to Major to Yeltsin to Queen Elizabeth. But the heart of the revue is the South African satire. Along with the apartheid figures, he now spoofs Mandela, his estranged wife, Winnie, and Archbishop Desmond Tutu, among others.

At the ANC show, Uys pulled a punch or two. His Winnie character did wear tie earrings — a send-up of her infamous statement in 1986 that South Africa would liberate itself by placing gas-soaked tires around apartheid collaborators and burning them to death. But Uys didn't have Winnie utter the line he's used with other audiences: "Who says there isn't life after someone else's death?" It's a reference to the 1989 killing of a 14-year-old youth by Mrs. Mandela's bodyguards.

He makes gentle jokes about the 76-year-old Mandela's pills and his bearing aid. He does a hilarious takeoff on Tutu's high-pitched, sing-songy sermons. "The first time Tutu saw me doing him, he came backstage and said I didn't have enough rings on," Uys said. "So he gave me some costume jewelry."

"The passing of apartheid has given me a whole new alphabet," he said. "I'm no longer dealing with the culture of death. Now, it's the



Pieter-Dirk Uys as Evita Bezuidenhout.

experience of survival. The moral issues are murkier now, but the great thing is — I can have an opinion. And I can change my opinion. And for the first time, my audiences don't come in with all the answers."

Other artists have had different reactions to the passing of apartheid. South Africa's best-known playwright, Athol Fugard, publicly fretted last year about becoming "a relic in the apartheid museum." His response to the political change has been to probe inward; he has written a tender memoir of his childhood.

"Athol plays the most extraordinary chamber music," said Uys, who regards Fugard as both an idol and mentor. "I have a loud drum." The son of an Afrikaner father and a German Jewish mother, Uys, 49, has been banging that drum ever since he can remember. His

parents were both concert pianists, and his father's family was related to Daniel F. Malan, the Afrikaner nationalist who became prime minister in 1948 and ushered in the political system of legislated racial oppression known as apartheid.

Young Uys rebelled, not just at the immorality of apartheid, but at the strict, sexual repressive Calvinism of Afrikaners, the descendants of Dutch settlers who make up about 60 percent of the white population.

When his plays started being banned in the 1970s, he saw an advertisement in a Cape Town newspaper seeking applications from outstanding citizens to sit on the Censor Board. Uys asked his father to apply. His family political connections were impeccable and "Dad loved to watch movies."

"My father and I weren't getting on at all, but when he got on the board, it put him on my side," Uys said. "He said these people were idiots. They weren't there to defend the morals of the nation. They were little tin-pot gods."

Uys also began lodging complaints to the board about his work. "That way, if they tried banning me, I could always reveal I was the one who'd complained in the first place." The threat of ridicule worked like a charm.

In recent years, Uys has begun touring abroad — to Germany (he only discovered after his mother's death that she was a Jew who fled from Hitler, and he does a bitter routine comparing apartheid to Nazism), Australia, Canada, England and the United States.

In his U.S. shows, he finds reflections of American skeletons in apartheid — for example, comparing black homelands to Indian reservations. He also wonders aloud why the all-powerful U.S. military never invaded South Africa to save the blacks. Then he remembers: "Oh, that's right, we have no oil."

But now that the great transformation has happened here, Uys is not eager to travel in the near future. He wants to stick around, listen and start to develop three-dimensional characters rather than just cartoons. He's hoping to put together a comedy troupe in Cape Town that would do topical weekly shows — perhaps televised.

He will also keep searching for a common culture. South Africa really doesn't have one. It's still Europe and Africa, occupying the same space but not the same habits, mores or funny bone. "My black audiences love the theater of what I do, the mask, the fact that I become someone else before their very eyes. The whites tend to wait for a clever punch line."

WEATHER

Forecast for Thursday through Saturday, as provided by Accu-Weather.

Europe	Today			Tomorrow		
	High	Low	W	High	Low	W
Algeria	15/16	8/10	10/11	8/10	10/11	8/10
Amsterdam	3/27	3/27	4/29	6/27	4/29	6/27
Athens	11/12	5/11	11/12	4/28	7/14	1/17
Berlin	9/14	1/14	11/12	4/28	7/14	1/17
Brussels	1/14	1/14	11/12	4/28	7/14	1/17
Budapest	8/12	2/28	1/14	3/27	7/14	1/17
Copenhagen	2/28	3/27	4/29	6/27	4/29	6/27
Dublin	1/14	1/14	11/12	4/28	7/14	1/17
Edinburgh	7/14	1/14	11/12	4/28	7/14	1/17
Florence	4/28	8/12	4/28	1/14	3/27	7/14
Frankfurt	1/14	1/14	11/12	4/28	7/14	1/17
Geneva	2/28	3/27	4/29	6/27	4/29	6/27
Helsinki	2/28	3/27	4/29	6/27	4/29	6/27
London	1/14	1/14	11/12	4/28	7/14	1/17
Luxembourg	1/14	1/14	11/12	4/28	7/14	1/17
Madrid	10/12	7/14	1/14	3/27	7/14	1/17
Moscow	9/12	4/28	1/14	3/27	7/14	1/17
Munich	4/28	8/12	4/28	1/14	3/27	7/14
Nice	7/14	1/14	11/12	4/28	7/14	1/17
Oslo	1/14	1/14	11/12	4/28	7/14	1/17
Paris	8/12	3/27	1/14	3/27	7/14	1/17
Rome	4/28	8/12	4/28	1/14	3/27	7/14
Stockholm	2/28	3/27	4/29	6/27	4/29	6/27
Vienna	1/14	1/14	11/12	4/28	7/14	1/17
Warsaw	2/28	3/27	4/29	6/27	4/29	6/27
Zurich	1/14	1/14	11/12	4/28	7/14	1/17

Oceania	Today	High	Low	W	High	Low	W
Auckland	22/1	12/27	23/74	14/1	22/74	14/1	22/74
Brisbane	22/1	12/27	23/74	14/1	22/74	14/1	22/74
Perth	22/1	12/27	23/74	14/1	22/74	14/1	22/74
Sydney	22/1	12/27	23/74	14/1	22/74	14/1	22/74
Toronto	22/1	12/27	23/74	14/1	22/74	14/1	22/74
Vancouver	22/1	12/27	23/74	14/1	22/74	14/1	22/74
Wellington	22/1	12/27	23/74	14/1	22/74	14/1	22/74
Yokohama	22/1	12/27	23/74	14/1	22/74	14/1	22/74

North America	Today	High	Low	W	High	Low	W
Alaska	1/14	1/14	11/12	4/28	7/14	1/17	10/12
Canada	1/14	1/14	11/12	4/28	7/14	1/17	10/12
USA	1/14	1/14	11/12	4/28	7/14	1/17	10/12
South America	1/14	1/14	11/12	4/28	7/14	1/17	10/12
Europe	1/14	1/14	11/12	4/28	7/14	1/17	10/12
Asia	1/14	1/14	11/12	4/28	7/14	1/17	10/12
Africa	1/14	1/14	11/12	4/28	7/14	1/17	10/12
Oceania	1/14	1/14	11/12	4/28	7/14	1/17	10/12

Asia	Today	High	Low	W	High	Low	W
Bangkok	23/29	19/26	30/30	21/21	30/30	21/21	30/30
Beijing	2/28	3/27	4/29	6/27	4/29	6/27	4/29
Hong Kong	23/29	19/26	30/30	21/21	30/30	21/21	30/30
Manila	23/29	19/26	30/30	21/21	30/30	21/21	30/30
New Delhi	23/29	19/26	30/30	21/21	30/30	21/21	30/30
Seoul	23/29	19/26	30/30	21/21	30/30	21/21	30/30
Shanghai	23/29	19/26	30/30	21/21	30/30	21/21	30/30
Singapore	23/29	19/26	30/30	21/21	30/30	21/21	30/30
Taipei	23/29	19/26	30/30	21/21	30/30	21/21	30/30
Tokyo	23/29	19/26	30/30	21/21	30/30	21/21	30/30

Africa	Today	High	Low	W	High	Low	W
Algeria	15/16	8/10	10/11	8/10	10/11	8/10	10/11
Cape Town	23/29	19/26	30/30	21/21	30/30	21/21	30/30
Casablanca	15/16	8/10	10/11	8/10	10/11	8/10	10/11
Harare	23/29	19/26	30/30	21/21	30/30	21/21	30/30
Lagos	23/29	19/26	30/30	21/21	30/30	21/21	30/30
Nairobi	23/29	19/26	30/30	21/21	30/30	21/21	30/30
Tunis	15/16	8/10	10/11	8/10	10/11	8/10	10/11

North America	Today	High	Low	W	High	Low	W
Alaska	1/14	1/14	11/12	4/28	7/14	1/17	10/12
Canada	1/14	1/14	11/12	4/28	7/14	1/17	10/12
USA	1/14	1/14	11/12	4/28	7/14	1/17	10/12
South America	1/14	1/14	11/12	4/28	7/14	1/17	10/12
Europe	1/14	1/14	11/12	4/28	7/14	1/17	10/12
Asia	1/14	1/14	11/12	4/28	7/14	1/17	10/12
Africa	1/14	1/14	11/12	4/28	7/14	1/17	10/12
Oceania	1/14	1/14	11/12	4/28	7/14	1/17	10/12

PEOPLE

THERE is no rest for poor old Windsor Castle, although Queen Elizabeth II is not in residence. A spokeswoman for the royal family confirmed Tuesday that the queen had put out a fire at Frogmore House, the castle grounds, on New Year's Day — the third fire alert in recent months at Windsor. On the Swiss front, Prince Charles and his sons arrived at Klosters for a week's skiing, meeting briefly on the slopes with the Duchess of York and her daughters. An aide to the prince denied that the duchess, the former Sarah Ferguson, was ousted from her suite to make way for her brother-in-law. And Princess Diana has left Wall, Colorado, having been spotted by a photographer only once in her five-day stay.

Sir John Gielgud unveiled a plaque Tuesday at the Theatre Royal Haymarket in London to commemorate Oscar Wilde, whose "An Ideal Husband" was premiered at the theater 100 years ago. "He was a brilliant and witty man," the 90-year-old actor said of the Irish playwright. Wilde's homosexual affair with the Marquis of Queensberry's son, Lord Alfred Douglas, led to a jail sentence for gross indecency, and he died in 1900 in Paris, at 46. The present Marquis of Queensberry also attended the unveiling.

Bob Hawke, Australia's prime minister from 1983 to 1991, has revealed a love affair with Blanche d'Alpuget, a writer whose books include a war-and-all biography of Hawke. The 65-year-old former Labor Party leader was pictured on the front page of Australian newspapers Tuesday strolling arm-in-arm with the 51-year-old author, providing confirmation of a long rumored relationship. Hawke recently announced his separation from Hazel, his wife of 38 years.

New Year's Eve performances of Johann Strauss' "Die Fledermaus" are often occasions for horseplay and cameo appearances. At New York's Metropolitan, Mayor Rudolph Giuliani joined the actors Dom DeLuise and Paul Sorvino to belt out "O Sole Mio." Giuliani, once a federal prosecutor, got a lesson in the third-act jailhouse scene by mentioning that he was in jail visiting 5,000 friends he had sent there. The cause of art was saved by Marilyn Horne, who sang Gershwin's "The Man I Love."

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